Instructor’s Guide for

GLO-BUS
Developing Winning Competitive Strategies

This guide provides you with information about GLO-BUS and suggestions for using it successfully in your course. Here is a quick reference guide to the contents:

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How Much Time Will You Have to Spend? One of the biggest factors probably weighing on your mind if you are contemplating being a first-time user is “how much time will it take me to learn about GLO-BUS and then conduct the exercise for my course?” Here are some honest estimates of what you can expect:

- It will take anywhere from 30 minutes to an hour for you to print and skim through this Instructor’s Guide (spend most of your time on the first 20 pages) and the Participant’s Guide (if you want to explore what running a GLO-BUS company is all about from a student perspective—but this can be deferred until later if you wish). It will take a couple of hours to really digest the contents of both Guides, however there is a 4-page Quick Guide to Getting Started (see the link on the left of your Instructor Center screen) that speeds the gear-up and allows you to peruse a hard copy of the Instructor’s Guide at your leisure.
- To launch GLO-BUS for your course, you must complete a 4-step Course Setup procedure that entails specifying the number of companies you want to create to compete head-to-head (which is a function of expected class size and how many people you want to co-manage each company), selecting dates/times for each decision round to be completed, indicating which optional assignments you want company co-managers to complete (the quizzes, strategic plans, peer evaluations, and company presentation exercise), and distributing company registration codes and/or a registration procedures to hand out to class members. Recommendations and thorough explanations are provided in the links accompanying Course Setup right on your Instructor Center screen. This will take 30 minutes or so the first time you do it and about 15 minutes each succeeding term.
• It will take you 15-20 minutes to familiarize yourself with the Class Presentation PowerPoint slides that can be used to introduce class members to the features and mechanics of GLO-BUS.

• **You will get very few questions from class members about “how things work.”** Site navigation is simple and quickly learned. The Participant’s Guide is easily digested by students. **There are brief Video Tutorials for every decision screen and every page of every report provided after each decision round.** In addition, there are comprehensive Help sections that explain cause-effect relationships, provide tips and suggestions, explain how the numbers in the company and industry reports are calculated, and otherwise inform company co-managers how things work. If a few of your students seem to be full of questions, it’s because they are coming to you for hand-holding and not taking the time to watch the Video Tutorials and/or to read and absorb the comprehensive information contained in the Help sections.

• **Once the Course Setup routine is completed, class members are registered, and the decision rounds are underway, everything occurs automatically until the exercise is complete.** At this juncture, it’s your call on how much time to spend—whether to simply be an interested observer or play a more active, hands-on role. Expect to spend no more than 10-20 minutes per decision round if you just want to provide encouragement, review the scoreboard of company performances on your Instructor Center web page, solicit feedback from co-managers about how things are going, and deal with special problems—like moving co-managers to another team if there’s conflict among team members or adjusting the dates for decision deadlines for whatever reason.

If you want to follow the competition more closely, you can spend 15-20 minutes after each decision round browsing the GLO-BUS Statistical Review (which shows the details of each company’s performance and provides assorted financial and operating statistics) and the special Administrator’s Report (which provides a quick, convenient summary of select decisions and outcomes for each company that will keep you abreast of “what’s happening”).

Should you opt to be even more proactive and intimately involved, then after each decision round you can have a 5 to 10-minute “debriefing” on what’s happening in the industry (using information you’ve gleaned from the GLO-BUS Statistical Review and the Administrator’s Report). Because there is tight connection between the issues that co-managers face in running their GLO-BUS companies and the chapters in most every mainstream strategy text, there is ample opportunity to use GLO-BUS happenings and managerial challenges as examples for your lectures. You can issue special news flashes altering certain costs or import tariffs, and you can offer to coach the co-managers of troubled companies on how to achieve better company performance.

• **When all the decision rounds are completed, you will have to spend perhaps 30 minutes assigning grades** (maybe longer if your class has 40+ students and you elect to peruse each class member’s activity log). Your online grade book automatically records and reports performance scores for all companies for all decision rounds and also contains each co-manager’s scores for all assignments (quizzes, strategic plans, and peer evaluations). Once you enter weights for each of the assignments, final scores for each class member are automatically calculated. **You will have to decide whether to scale the scores or not.** If you want to examine data pertaining to each co-manager’s use of the GLO-BUS website as part of the grade assignment process, there’s an activity log that reports the frequency and length of log-ons, how many times decision entries were saved to the server each decision round, and how many times each set of reports was viewed each decision round.

**A Birds-Eye View of GLO-BUS**

In GLO-BUS, 1 to 5 class members are assigned to run a digital camera company that produces and markets entry-level and upscale, multi-featured cameras in head-to-head competition against companies run by other members of the class. The companies compete in a global market arena, selling to camera retailers in four geographic regions—Europe-Africa, North America, Asia-Pacific, and Latin America.

GLO-BUS is modeled to mirror the real-world character of the digital camera industry, a contemporary “high-tech” business that class members can readily identify with and understand. The digital camera industry makes an excellent setting for a strategy simulation because it is a product that students are intimately familiar with and because they can readily grasp the workings of the industry—conditions which greatly enhance the effectiveness of a simulation from a teaching/learning perspective. Moreover, the market for digital cameras displays the characteristics of many globally competitive industries—fast growth, worldwide use of the product, competition among companies from several continents, production located in low-cost locations having skilled labor supplies, and a marketplace populated with companies employing a variety of competitive approaches and business strategies.
A strategy simulation designed around a global industry setting is especially desirable because globalization of the marketplace is an ever-widening reality and because global strategy issues are a standard part of the strategic management course. Plus, of course, accreditation standards for business school programs routinely require that the core curriculum include international business topics and the managerial challenges of operating in a globally competitive marketplace.

**Company Operations.** Companies produce entry-level and multi-featured cameras in a Taiwan assembly facility and ship finished goods directly to camera retailers in North America, Asia-Pacific, Europe-Africa, and Latin America. All cameras are assembled as retail orders come in and shipped immediately upon completion of the assembly process—companies maintain no finished goods inventories and all parts and components are delivered on a just-in-time basis (which eliminates the need to track inventories and simplifies the accounting for plant operations and costs).

Company co-managers determine the quality and performance features designed into the entry-level and multi-featured cameras that are produced. They impact production costs by raising/lowering camera quality and performance, adjusting work force compensation, spending more/less on worker training, lengthening/shortening warranties offered (which affects warranty costs), and how efficiently they manage the camera assembly process. They have the option to assemble all cameras in-house or to outsource a portion of the needed production to outside contractors.

Because retailers place orders for cameras roughly 90 days in advance of expected sales, camera makers assemble and ship enough cameras in Quarter 1 to match expected retail sales in Quarter 2; they assemble and ship enough cameras in Quarter 2 to match expected retail sales in Quarter 3; and so on through Quarter 4—a condition that forces company managers to schedule camera assembly in a seasonal pattern that matches the seasonal demand of retailers and digital camera buyers.

**The Decisions That Company Managers Have to Make.** Each decision round, company co-managers make an assortment of entries covering five operating areas:

- R&D, camera components, and camera performance (up to 10 decisions)
- Production operations and worker compensation (up to 15 decisions for a single assembly plant)
- Pricing and marketing (up to 15 decisions in each geographic region)
- Corporate social responsibility and citizenship (as many as 6 decisions)
- Financing of company operations (as many as 4 decisions).

Experience confirms that this many decisions is right on the money—enough to keep company co-managers engaged and challenged but not too many to confuse and overwhelm.

**On-Screen Support Calculations.** Each time co-managers make a decision entry, an assortment of on-screen calculations instantly shows the projected effects on unit sales, revenues, market shares, total profit, earnings per share, ROE, costs, and other operating outcomes. Where appropriate, there are separate supporting calculations for the entry-level and multi-featured camera lines. All of these on-screen calculations help co-managers evaluate the relative merits of one decision entry versus another. Company managers can try out as many different decision combinations as they wish in stitching the separate decisions into a cohesive whole that is projected to produce good company performance.

If company co-managers want additional help/assistance in making decision entries, they can watch the 2-4 minute video tutorials for each decision screen and/or consult the comprehensive Help sections that explain cause-effect relationships, provide tips and suggestions, explain how the numbers in the company and industry reports are calculated, and otherwise inform company co-managers how things work.

**The Quest for a Winning Strategy.** All companies begin the GLO-BUS exercise on the same footing from a global perspective—with equal sales volume, global market share, revenues, profits, costs, product quality and performance, brand recognition, and so on. But there is a fundamental difference in the competitive positions of rival companies that adds a realistic competitive dynamic—the percentages of cameras sold in the four geographic regions vary from company to company. Each company starts out with 40% of annual sales in one region, 30% of sales in a second region, 20% in a third region, and 10% in the fourth region. Initializing the contest for global market leadership at a point where rival companies have different market shares in different geographic regions introduces an element of competitive reality.
Global market demand grows at the rate of 8-10% annually for the first five years and 4-6% annually for the second five years. Retail sales of digital cameras are seasonal, with ~20 percent of buyer demand coming in each of the first three quarters and 40 percent coming during the big fourth-quarter retailing season.

The challenge for each management team is to craft and execute a competitive strategy that results in a respected brand image, keeps their company in contention for global market leadership, and produces good financial performance as measured by earnings per share, return on equity investment, stock price appreciation, and credit rating.

Competition in each of the two product market segments (entry-level and multi-featured digital cameras) is based on 11 factors:

- How each company’s wholesale selling price for its entry-level and multi-featured cameras compare against the corresponding industry-wide average prices being charged in each geographic region.
- How each company’s camera performance and quality compares against that of rival brands.
- How each company’s number of quarterly sales promotions compares against the industry-wide average number of quarterly sales promotions.
- How the length (in weeks) of each company’s quarterly sales promotions compare against the average length of quarterly sales promotions industry-wide.
- How the size of each company’s quarterly promotional discounts compare against the average size of the promotional discount industry-wide.
- How each company’s advertising expenditures compare against industry-wide average advertising expenditures.
- How the number of camera models in each company’s camera line compares against the industry-wide average number of models.
- How the size of the camera retailer network carrying a company’s camera brand compares against the average retailer network industry-wide.
- How the amount/caliber of technical support a company provides to camera buyers compares against the amount/caliber of technical support provided industry-wide.
- How the length of each company’s camera warranties compare against the warranty periods of rival companies.
- How well a company’s reputation among camera retailers and camera buyers compares against the reputations of rival camera companies.

Each company typically seeks to enhance its performance and build competitive advantage via its own custom-tailored competitive strategy based on more attractive pricing, greater advertising, a wider selection of camera models, more appealing camera performance/quality, longer warranties and/or more aggressive sales promotion campaigns. **Any and all competitive strategy options**—low-cost leadership, differentiation, best-cost provider, focused low-cost, and focused differentiation—are **viable choices for pursuing competitive advantage and good company performance**. A company can have a strategy aimed at being the clear market leader in either entry-level cameras or multi-featured cameras or both. It can focus on one or two geographic regions or strive for geographic balance. It can pursue essentially the same strategy worldwide or craft slightly or very different strategies for each of the four geographic regions.

**There’s no built-in bias favoring any one strategy and no “secret set of strategic moves” that are sure to result in a company becoming the industry leader.** **GLO-BUS** is a “competition-based” strategy simulation exercise where **the outcomes are always unique to the competitive interplay among the specific decisions and strategies of each group of competing companies.** Which strategies end up delivering the best performance in any given group of 4 to 12 companies that are competing head-to-head always depends on the competitive interplay among the specific decisions and strategies of rival companies—there **absolutely is no “magic bullet” strategy and no canned set of actions that will guarantee good company performance.**

**How the Outcomes Are Determined** Instructors establish a deadline (date and time) for company co-managers to complete for each decision round and other related assignments. Instructors have the flexibility to change the deadlines at any time for any reason. Decision rounds can be scheduled once per week, twice per week, daily, or even twice daily, depending on how you want to conduct the exercise. You will be able to peruse sample decision schedules when you are settling on the times and dates for the deadlines.
When the instructor-specified deadline for a decision round arrives, the GLO-BUS algorithms allocate sales and market shares in the entry-level and multi-featured segments to the competing companies, region by region. The factors governing how many entry-level and multi-featured cameras a company sells in each geographic region are:

- how its price compares against the prices of rival brands,
- how its camera performance and quality compares against rival brands,
- how its advertising effort compares,
- and so on for all the competitive factors that determine units sold.

For instance, a company’s entry-level camera price in a region is determined to be more competitive the further it is below the average price in that region charged by all companies and less competitive the further it is above the regional average. A company’s entry-level camera performance and quality is determined to be more competitive the further its performance/quality rating is above the average performance/quality rating of all companies competing in the region and less competitive the further its rating is below the regional average. The overall competitiveness of a company’s product offering in a region is a function of its combined competitive standing across all competitive factors. For example, a company can offset the adverse impact of an above average price with above-average camera performance and quality, more advertising, and/or longer warranties.

The greater the differences in the overall competitiveness of the camera offerings of rival companies, the bigger the differences in their resulting sales volumes and market shares. Conversely, the smaller the overall competitive differences in the camera offerings of rival companies, the smaller the differences in sales volumes and market shares. This algorithmic approach is what makes GLO-BUS a “competition-based” strategy simulation and accounts for why the sales and market share outcomes for each decision round are always unique to the particular strategies and decision combinations employed by the competing companies.

Once sales and market shares are awarded, the company and industry reports are then generated and all the results become available 15-20 minutes after the decision deadline passes.

All cause-effect relationships and underlying algorithms in GLO-BUS are based on sound business and economic principles and connect tightly to the real-world digital camera industry. The “real-world” character that has been carefully and systematically designed into GLO-BUS allows company co-managers to think rationally and logically as they analyze industry and company conditions; they can be businesslike in deciding how to manage their digital camera company. The thesis is that the more GLO-BUS mirrors real-world market conditions and real-world managerial decision-making, the more pedagogical value it has. Why? Because tight linkages between the functioning of GLO-BUS and “the real world” provide class members with an authentic learning experience, a bona fide means of building their skills in analyzing markets and the actions of competitors, and a true-to-life way to practice making business-like decisions and applying the knowledge they have gained in business school.

**Time Requirements for Class Members.** Information that we have logged since the 2003 introduction of GLO-BUS indicates that company co-managers spend an average of about 2 hours plus working on each decision round. The first couple of decision rounds often take considerably longer, not only because co-managers have to explore the menus, familiarize themselves with the information on the screens, and absorb the relevance of the calculations shown whenever new decisions are entered, but also because it takes time for them to establish a working relationship with one another and debate what sort of long-term direction and strategy to pursue.

The total workload ends up between 20 and 30 hours, given an average of 2 hours per decision round, 9 to 12 decision rounds (including practice rounds), and the time needed to complete optional assignments (quizzes, strategic plans, company presentation, and peer evaluations). As discussed earlier, you can offset the hours students spend on the simulation by trimming the number of case assignments, eliminating a written case assignment (which can take students 10-15 hours to prepare), and perhaps allocating one or more regularly-scheduled class periods to having class members meet in a computer lab to work on their decisions or do the 3-Year Strategic Plan assignment.

It will consume part of a class period to introduce class members to the simulation and get things under way. Thereafter, the simulation becomes an out-of-class group exercise where co-managers spend most of their time working on a PC (in a lab or on their own PC or on a PC at a co-manager’s place of residence).
Special GLO-BUS Features and Extras

A host of capabilities and convenient, time-saving features have been designed into the screens and menus to make GLO-BUS both a breeze for students and instructors to use and readily customizable to your requirements and preferences:

- **There is a 17:17-minute video overview that introduces class members to the simulation, takes them on a tour of the website menus and accompanying screens, and helps get them off to a successful start. There is also a 14:14-minute orientation video for instructors.**

- **Instructors who are considering use of GLO-BUS can attend any of the 15 or so author-conducted webinar/demos scheduled throughout each year—the demos run 60 to 75-minutes and allow ample time for Q&A.**

- **In the course of running their company (making decision entries and viewing reports), class members have one-click access to 2-5 minute video tutorials for each decision screen and each page of each report. In addition, they have one-click access to “Help” sections containing detailed explanations of (a) the information on each decision entry screen and all relevant cause-effect relationships, (b) the information on each page of the Industry Reports, and (c) the numbers presented in the Company Reports. The Help pages for each decision entry screen also contain tips and suggestions for making wise decision entries. The video tutorials and full-blown Help page discussions allow company co-managers to figure things out for themselves, thereby relieving instructors of having to answer questions about “how things work”.**

- **It is quick and easy to set up the GLO-BUS simulation for your course.** The Course Setup Procedure is done online and takes about 15 or so minutes. There is a 4-page Getting Started Guide for first-time adopters that guides you through the steps to set up the simulation for your course, describes the administrative tasks, explains the scoring, and provides suggestions for using the simulation effectively. If and when you need more details about some aspect of the simulation, this 40-page Instructor’s Guide provides comprehensive explanations and guidance. Once the straight-forward Course Setup Procedure is completed, no other administrative actions on your part are required beyond that of moving participants to a different team (should the need arise), keeping tabs on the outcomes of the decision rounds and how well the companies are doing (to whatever extent desired), setting the grading weights for various simulation-related assignments, and using the automatically calculated numerical averages to determine the overall grades to assign class members on the simulation exercise.

- **An online Instructor Center serves as your hub for conducting all administrative activities and monitoring the results of the company decisions.** The Instructor Center is the screen you are sent to when you enter your user name and password to log-in. Every function and feature that you need for using the simulation in your course is on the Instructor Center page or accessible from it. Online grade books provide you with scores indicating each company’s and each participant’s performance on each phase of the simulation. Once you enter percentage weights for each performance measure, scores are automatically calculated (which you can scale or not as you see fit).

- **There are no cumbersome software downloads or program installations necessary.** Both participants and instructors conduct all activities at www.glo-bus.com. All materials are delivered digitally via the internet to class members and instructors.
  - Students gain full access to everything needed during the course of the simulation, including the Participant’s Guide, immediately upon registering—students can read the Guide and other accompanying content online or print the materials, as they prefer.
  - Likewise, instructors gain full access to all materials online through the GLO-BUS website immediately upon creating an Instructor Account at the website home-page.

- **Class members and instructors have anywhere, anytime access to www.glo-bus.com on any desktop or laptop computer connected to the Internet and equipped with web browser software (such as Chrome, Internet Explorer, Firefox, or Safari) with the Adobe Flash Player plug-in 10.3 (or later). Users without the needed version of Flash already installed will be automatically directed to the Adobe site where the latest version can be downloaded and installed free of charge in a couple of minutes. As long as site users have a live internet connection, they will have 24/7/365 access to the GLO-BUS web site.**

- **Co-managers of a company (team members) who are logged-on simultaneously can use the built-in Collaboration Mode and Audio Mode capabilities, as well as on-screen messaging, to collaborate when working online at the same time from different locations.**
When in “Collaboration Mode,” each team member works from the same screen at the same time as all other team members who are logged-in and have joined Collaboration Mode. If one team member chooses to view a particular decision screen, that same screen appears on the monitors for all team members engaged in collaboration.

Each team member controls a color-coded mouse pointer (with their first-name appearing in a color-coded box linked to their mouse pointer) and can make a decision entry or move the mouse to point to particular on-screen items.

When a decision entry is changed made by one team member the change is seen by all, in real time, and all team members will immediately see the shared-screen calculations that result from the new decision entry.

If one team member wishes to view a report page and clicks on the menu link to the desired report, that same report page will immediately appear for the other team members engaged in collaboration.

Use of Audio Mode capability requires that each team member work from a computer with a built-in microphone (if they want to be heard by the rest of the team) and speakers (so that they may hear their teammates) or else have a headset with a microphone. A headset is recommended for best results, but most laptops now are equipped with a built-in microphone and speakers that will support use of the voice-chat capability.

Instructors have built-in capability to join the online meetings of any company directly through the instructor account. Instructors who wish not only to talk but also enter Collaboration (highly recommended because all attendees are then viewing the same screen) have a red-colored mouse pointer linked to a red box labeled Instructor. The ability of instructors and company co-managers to have an online meeting at a mutually agreeable time is often more convenient than scheduling face-to-face meetings during an instructor’s office hours.

- The built-in Collaboration and Audio Mode features make the simulations highly suitable for use in distance-learning or online courses (and are currently being used in many such courses).

- The deadlines for each decision round and other related assignments are set and totally controlled by the instructor (and can be changed at any time for any reason). Decision rounds can be scheduled once per week, twice per week, daily, or even twice daily, depending on how you want to conduct the exercise.

- Sample course outlines for integrating GLO-BUS into your strategy course are provided online at the simulation Web site. There are sample outlines for semester-long courses, 10-week or quarter-long courses and 5-week courses; each course outline consists of suggested activities and assignments for each and every class meeting.

- The management teams for each company can range from 1 to 5 co-managers, and the number of companies competing head-to-head in a single simulation group or “industry” ranges from 4 to 12. If you have a large class and need more than 12 companies, the Course Setup procedure makes it simple to create two or more industries for your class. In a small class, there can be no fewer than 4 company teams—two-person teams will work just fine. (For classes with fewer than 8 students, please call us at 205-722-9149 or e-mail athompson@cba.ua.edu to discuss how best to proceed.)

- The entries that co-managers make each decision round are saved directly to the GLO-BUS server. When the deadline passes, the decision entries of all companies are then “processed” automatically. Complete results are available to company co-managers and the instructor 15-20 minutes after the scheduled deadline.

- Participants and instructors are notified via e-mail when the decision outcomes are ready. Company co-managers learn the details of “what happened” in a 7-page GLO-BUS Statistical Review, a 1-page Competitive Intelligence report for each geographic region that includes strategic group maps and bulleted lists of competitive strengths and weaknesses, and a 6-page set of Company Reports (income statement, balance sheet, cash flow statement, and assorted sales, cost, and operating statistics).

- A “scoreboard of company performance” incorporates two performance measures: (1) how well each company meets “investor expectations” on earnings per share, return on shareholders’ equity (ROE), stock price appreciation, credit rating, and image rating and (2) how well each company stacks up against the “best-in-industry performer” on each of these same 5 measures.

- You have the option to assign two “open-book” multiple choice quizzes each consisting of 20 questions. Quiz 1 covers the contents of the Participant’s Guide. Quiz 2 checks understanding of key aspects of company operations and student command of ways to improve company performance. The
self-scoring quizzes are taken online by each student individually, with scores reported instantaneously to participants and recorded in your online grade book.

- There is a built-in 3-year strategic plan feature that entails having each company’s management team (1) articulate a strategic vision for their company (in a few sentences), (2) set performance targets for EPS, ROE, stock price appreciation, credit rating, and image rating for each of the next three years, (3) state the competitive strategy the company will pursue, (4) cite data showing that the chosen strategy either is currently on track or requires further managerial actions, and (5) develop a projected income statement for the each of the next three years based upon expected unit sales, revenues, costs, and profits. Each company’s strategic plan is automatically graded on a scale of 1 to 100, with points being earned for meeting or beating the performance targets that were established. The scores are recorded in your online grade book automatically. Assigning completion of 3-year strategic plans is entirely optional—you can have company managers complete no plan, 1 plan, or 2 plans.

- At the conclusion of the simulation, you have the option to have each company management team prepare a slide presentation reviewing their digital camera company’s performance and strategy. A Company Presentation link in each co-manager’s Corporate Lobby provides explicit slide-by-slide suggestions of what to cover in the presentation. Company co-managers may easily download and insert bar charts showing their company’s revenues, earnings per share, ROE, stock price, credit rating and image rating during the course of the simulation.

- There is a comprehensive 12-question peer evaluation form that co-managers can complete to help you gauge the caliber of effort each co-manager has put into the exercise. Peer evaluations are automatically scored on a scale of 1 to 100, and the scores are recorded in your online grade book.

- There is an Activity Log that provides an informative summary of each co-manager’s use of various parts of the website—the frequency and length of log-ons, how many times decision entries were saved to the server each decision round, and how many times each set of reports was viewed each decision round. The combined information from the two quizzes, peer evaluations, and activity logs provide good evidence about whether a co-manager was a strong or weak contributor.

- An end-of-simulation Learning Assurance Report (LAR) provides you with solid empirical data concerning how well your students performed versus students playing the simulation at all schools/campuses worldwide over the past 12 months. The report measures 10 areas of student proficiency, business know-how, and decision-making skill, and provides potent benchmark evidence valid for gauging the extent to which your school’s academic curriculum is delivering the desired degree of student learning as concerns accreditation standards. The LAR is useful in two very important respects. One, it provides you with a clear overview of how well your students rank relative to students at other schools worldwide who have gone through this same competition-based simulation exercise over the past 12 months. Two, because the report provides highly credible evidence regarding the caliber of business proficiency and decision-making prowess of your students, it can be used to help assess whether your school’s academic curriculum in business is providing students with the desired degree of business understanding and decision-making acumen. Professors, department chairs, and deans at many business schools worldwide are engaged in developing ongoing evidence of whether their academic programs meet the Assurance of Learning Standards now being applied by the Association to Advance Collegiate Schools of Business (AACSB); a prime goal of this Learning Assurance Report is to contribute significantly to this effort.

- There is a weekly ranking of the best-performing companies worldwide posted on the homepage—all co-managers and instructors whose companies appear in the rankings are automatically notified by e-mail. You can browse through the latest rankings by clicking on the icon in the center of the homepage.

- The co-managers of the overall best-performing company in your class can be automatically e-mailed an “Industry Champion” certificate suitable for framing when the simulation ends. This certificate serves to document an award or achievement they can put on their résumés.

- Each industry-winning company playing GLO-BUS across the world is invited to participate in the “Best Strategy Invitational.” The BSI is held three times annually—in May, August, and December. Those teams that accept the invitation are divided into industries of 11-12 companies and compete for a period of 10 decision rounds for “Global Industry Championships.” All participants who participate in the competition receive frame-able certificates, and the industry winners get a “Grand Champion” certificate. Receipt of these certificates also merits a line on a student’s résumé.

Comprehensive question-answering and problem-solving is provided to all adopters by co-authors Art Thompson and Greg Stappenbeck—just use the tech support link in the Instructor Center to send an e-mail at Instructor Support, call us at 205-722-9149, or send an e-mail to athompso@cba.ua.edu.
The Compelling Case for Using a Strategy Simulation in Your Course

There are three exceptionally important teaching/learning benefits associated with using a competition-based simulation like GLO-BUS in courses taken by seniors and MBA students:

1. **Having class members run a company in head-to-head competition against companies managed by other class members provides a truly powerful learning experience** that thrusts class members squarely into an active, hands-on managerial role. The co-managers of each company are totally responsible for assessing market conditions, determining how to respond to the actions of competitors, forging a long-term direction and strategy for their company, and making decisions relating to camera design, workforce compensation and assembly plant operations, pricing and marketing, finance, and corporate social responsibility/citizenship.

Because company co-managers are held fully accountable for their decisions and their company’s performance, **they are strongly motivated** to dig deeply into company operations, probe for ways to be more cost-efficient and competitive, and ferret out strategic moves and decisions calculated to boost company performance. It doesn’t take long for company co-managers to become emotionally invested in figuring out what strategic moves to make to out-compete rivals. **Such diligent and purposeful actions on the part of company co-managers translate into an engaging learning experience with strong retention of the lessons learned and higher achievement of course learning objectives.**

To provide you with quantitative evidence of the boost in learning power and achievement of course objectives that occurs with using GLO-BUS, there is a built-in Learning Assurance Report showing how well each class member performs on 9 skills/learning measures versus tens of thousands of students at some 600+ campuses worldwide that used GLO-BUS in the past 12 months.

2. **The competitive nature of a strategy simulation arouses positive energy and steps up the whole tempo of the course by a notch or two.** The healthy rivalry that emerges among the management teams of competing companies stirs competitive juices and spurs class members to fully exercise their strategic wits, analytical skills, and decision-making prowess—much more so than occurs with many other types of assignments. **Nothing energizes a class quicker or better than concerted efforts on the part of class members to gain a high industry ranking and avoid the perilous consequences of getting outcompeted by class members running rival companies.** It is hard to duplicate the excitement and hallway chatter that occurs when the results of the latest decision round become available and co-managers renew their quest for strategic moves and actions that will strengthen company performance.

**Participating in a competition-based strategy simulation is an unusually stimulating and enjoyable way for class members to learn.** As soon as your students start to say “Wow! Not only is this fun but I am learning a lot”, **which they will**, you have moved the value of taking your course to a much higher plateau in the business school curriculum. This translates into a livelier, richer learning experience from a student perspective and better instructor-course evaluations.

3. **The automated nature of GLO-BUS reduces the time instructors spend on course preparation, course administration, and grading.** Not only are administrative requirements for using GLO-BUS quite modest, but since the simulation also involves a 20 to 30-hour workload for student-teams (roughly 2 hours per decision round times 10-12 rounds, plus optional GLO-BUS-related assignments), adopters often compensate by trimming the volume of other course assignments (often those that entail considerable preparation and/or grading on the instructor’s part). Grading for GLO-BUS is effortless and takes only minutes. Once you enter percentage grading weights for each GLO-BUS activity in your online grade book, an overall numerical grade is automatically calculated for each class member.

Course preparation time is further cut because you can use several class days to have class members meet in the computer lab to work on upcoming decision rounds or a 3-year strategic plan (in lieu of lecturing on a chapter or covering an additional assigned case). Lab sessions provide a splendid opportunity for you to visit with teams, observe the interplay among co-managers, and view the caliber of the learning experience that is going on.

The speed and ease with which you can conduct a fully-automated strategy simulation for your course frees time for other activities. Plus, every task can be performed from an office or home PC that has an Internet connection and an Internet browser.

Instructor recognition of the teaching/learning benefits of a top-notch strategy simulation explains why thousands of instructors worldwide use a strategy simulation in their course—some 150,000+ students participate in strategy simulations annually and the annual totals are growing briskly. Since market inception
in 2004, GLO-BUS has been used by 1,350 different instructors for courses involving over 210,000 students at 610+ university campuses in 46 countries.

For What Courses Is GLO-BUS Suitable?

GLO-BUS is suitable for strategy-related courses for both upper-level undergraduates and MBA students. Our statistics indicate that 85% of the student registrations are in undergraduate courses and 15% are in MBA courses. Our conversations with adopters clearly indicate that you can have a successful experience with GLO-BUS in either senior or MBA courses, and the totally online delivery of the simulation makes it ideal for distance learning and on-line courses.

Several adopters have used GLO-BUS in international business, international marketing, marketing management, entrepreneurship, small business, and even introduction to business courses. GLO-BUS is well-suited for such courses if the instructor is looking for a simulation with both a strong strategy component and an international component—the market setting for GLO-BUS is global, and import tariffs and exchange rates are featured components of the simulation. GLO-BUS works well for marketing management courses because of its extensive marketing strategy content. Students in an introductory business course will be able to handle the mechanics of GLO-BUS but would need some guidance with regard to the finance and accounting aspects of the simulation.

Getting Ready to Launch GLO-BUS for Your Course

To set up GLO-BUS for your course and get ready for class, you have to consider what deadline dates/times you want to set for each decision round to be completed, decide whether you want to activate the special order bid option and the quarterly update option, and decide which of the optional assignments you want company co-managers to complete (the quizzes, strategic plans, peer evaluations, and/or company presentation exercise).

Scheduling Decision Rounds. We suggest that you consider one of the following three generic decision round schedules:

• One decision round weekly throughout the term (with a total of 1 or 2 practice rounds and 6-10 regular rounds). This decision schedule spreads the work load of running a GLO-BUS company evenly across the entire term. An estimated 65% of adopters use this schedule.

• Two decision rounds weekly the last 4-6 weeks of the term (with a total of 1 or 2 practice decision rounds and 8 regular decision rounds). The advantage of starting the simulation somewhere near the middle of the course is that it removes any concerns you may have about the merits of first exposing class members to some important chapter material (key concepts, analytical tools and competitive strategy options) and perhaps assigning several cases as a prelude to tackling the issues they will face in running their companies. An estimated 30% of adopters use this approach.

• Daily decision rounds the last two weeks of the term (this is the least used scheduling approach but is ideal for concluding the course and using the simulation as a final exam). A variation of this schedule (for executive courses) is to have decision rounds twice daily for a week. However, you should always have at least a 3-hour interval between decision rounds to give co-managers time to review the industry and company reports and develop their strategy and decisions for the next round.

Sample decision schedules will be at your fingertips as you do the Course Setup routine, and there are 15 sample course schedules (5 for semester-long courses, 5 for 10-week courses, and 5 for 5-week courses) accessible directly from the Instructor Resources menu on the left side of your Instructor Center screen that you can use as guides and suggestions for integrating use of the simulation into the rest of the course.

If you are a new simulation user and have no prior experience to draw on, then we suggest:

1. Schedule two practice rounds. Practice decision rounds give co-managers time to get comfortable with the software and to conduct "risk-free experiments" in trying out certain strategies and decision options. Two practice rounds will amply prepare your class for "the real thing." However, co-managers can certainly get by with only 1 practice round in time-constrained situations.

After the results of the last practice round are available to company co-managers (the results are always accessible 15-20 minutes after the scheduled deadline), you will need to schedule a time for the data to be reset back to the default values for the end of Year 6. Give company co-managers enough time to examine and print out the results of the last practice round (say at least 4-6 hours, if not more) when you specify a time for the Data Reset to occur.
2. Include a minimum of 6 regular (scored) decision rounds in your decision schedule. Six or more regular decision rounds gives co-managers time to put a strategy in place, tweak it (or make wholesale changes), and for at least the first 3-4 rounds operate the company for the “long-run.” However, 8 to 10 decision rounds is significantly better in terms of providing company co-managers with a long-term strategy-making and operating experience—in the last 5 years of the simulation (Years 11-15), slowing market growth for digital cameras typically generates more intense competitive rivalry and puts every company’s strategy to a stronger market test.

3. Consider including Special Order Bids and Quarterly Updates as part of your decision schedule. These are two optional features for GLO-BUS that allow you to customize your use of the simulation and make it more “full-featured.” If you want to keep the amount of student time to a bare minimum, then you should bypass the two options. But, if you want to make their GLO-BUS experience a bit richer, then using one or both of these value-adding features has merit. We recommend instituting Special Order Bidding in the third or fourth decision round (Year 8 or Year 9) and the Quarterly Updates option for the last two or three decision rounds. Both features are discussed below.

Bear in mind that you have complete freedom to set up any schedule that you wish—and further to change the schedule at any time for any reason. You have the capability to quickly change the deadlines for upcoming decision rounds and other assignments. You can (1) inform co-managers via the internal messaging system that the schedule has changed or (2) check the box that sends them notification of a schedule change each time you alter any deadline dates or times or (3) announce the change in class. The only constraint in changing the decision schedule is that you cannot revise the deadline for a decision round once that particular deadline has passed. However, you have the option of “rolling back” the schedule, allowing one or more teams to revise their decision entries, and then reprocessing the year’s results. The “roll back” feature is described in The Administration Menu section of this Instructor’s Guide.

Should You Activate the Special Order Bid Option? The Special Order Bid option gives companies the opportunity to bid against rivals and obtain as many as two special orders of 100,000 entry-level cameras each (50,000 each if the industry was created with only 4 companies), to be assembled in the third-quarter and shipped to chain store retailers in time for the peak retail season of the fourth quarter. Companies can submit bids to win an “extra” order of 100,000 entry-cameras from chain retailers in each of the four geographic regions, and there are two winning bids in each region (both for 100,000 cameras). A company can only win one bid in each geographic region and a maximum of two bids overall in any one year (a company is allowed up to four winning bids if the industry was created with only 4 companies), so this option provides the opportunity to sell an extra 200,000 entry-level cameras annually should a company win the maximum allowed number of bids.

Activating the Special Order option forces co-managers to consider whether the incremental revenues associated with winning a special order bid will adequately exceed incremental costs and thus contribute attractively to the bottom line. There are on-screen decision support calcs that provide company co-managers with incremental revenue, incremental cost, incremental profit projections for each price bid, so including the special order option adds very little time to the decision-making process.

There are three reasons why you should consider use of the special order bid option:

1. The Special Order Bid feature is easily grasped by company co-managers.
2. Students need practice in incremental revenue/incremental cost analysis because it is so widely used in real business situations.
3. The competitive bidding for special orders will enliven rivalry among the companies and inject a fresh element into the battle for global market leadership.

When you create the decision round schedule during or after Course Setup, we recommend activating the Special Order option in Year 9 or Year 10 and continuing it throughout the remainder of the decision rounds that you schedule. This option is not available for the practice rounds or for “real” Years 6, 7, and 8 (in order to give participants time to become fully comfortable with how everything else works). You may want to delay activating the Special Order Bid option until Year 10 or so, but we do not recommend skipping it entirely. If you decide, for whatever reason, to discontinue the special order option after one or more years, then you can easily use the “Scheduling and Assignments” heading in your Administration Menu to turn off the special order option.

Should You Activate the Quarterly Updates Option? The Quarterly Updates option involves generating company performance outcomes 1-quarter at a time and reporting the company’s operating results quarterly rather than annually. With quarterly updates, you will need to create a decision schedule
with deadlines that give company co-managers enough time between the processing of each quarter so that they can review the results quarterly and make strategy adjustments. With quarterly updates, company co-managers have an opportunity to go online, review selected results as the quarterly outcomes become available, check on how well their strategy is working, see if sales and profits are meeting expectations, and adjust as many as 9 decision variables for the remaining quarters if and when it seems desirable to do so.

Quarterly decision adjustments are limited to 9 areas: (1) wholesale selling prices of entry-level and multi-featured cameras, (2) the amount of quarterly advertising in each of the four geographic regions, (3) the number of promotions, (4) the length of promotions, (5) the size of any promotional discounts, (6) the number of cameras assembled, (7) the number of PATs employed, (8) the pay-down of outstanding loans, and (9) the quarterly dividend. All other decisions must remain intact for the full year (allowing changes in any and all decisions would potentially explode the time requirements).

In contemplating whether to employ the quarterly update feature, you should bear in mind that using the quarterly updates option does not require all companies to go online and review the results each and every quarter. Rather it simply provides all companies with the opportunity to do so. Company managers that take advantage of the opportunity to make quarterly updates will likely spend an additional 30-60 minutes inspecting quarterly results and fine-tuning one or more of the decision entries for the remaining quarters. Experience indicates that many companies will make only limited use of quarterly updates.

Activating the quarterly updates option works great in three circumstances:

1. **When you are using a weekly decision schedule.** For example, if the normal deadline for the full-year decision is usually 11:00 p.m. on Monday, then you can institute a deadline of, say, 11:00 p.m. Tuesday for the Q2 update; require that any Q3 updates be made by 11:00 p.m. Wednesday, and have any Q4 updates due no later than 11:00 p.m. Thursday. However, you have the option of setting the day and time of the annual and quarterly update deadlines to be whatever suits your course schedule. **A 24-hour interval between quarterly updates is usually quite sufficient** for one or more company co-managers to go online and tweak their decisions, and shorter intervals can be used if workable in your situation.

2. **When you want the simulation to be a major cornerstone of the course and represent 35% to 60% of the final grade.** In such circumstances, a bit heavier simulation workload for class members is appropriate.

3. **When the class is primarily composed of MBA/graduate students and you want the simulation requirements to be a bit more rigorous than for an undergraduate course.**

Our recommendation is to institute quarterly updates for the last 2-3 decisions rounds. You can institute them for more decision rounds if you wish. If you decide to try quarterly updates and discover after a decision round or two that you would rather not use them, then you can easily revise the decision schedule and cut the quarterly update feature off.

Some of the pros and cons of the quarterly updates option are highlighted below:

### PROs of Quarterly Updates
- Creates more of a real-time decision-making atmosphere, where company managers are not artificially required to live with key pricing and production decisions for a full year before making a course correction.
- Is a means for helping companies avoid a disastrous year (and also allowing companies to do better than originally expected). Company managers anxious to improve their company’s performance and avoid having bad results typically welcome quarterly updates, despite the time they add.
- Enlivens the competition by giving all companies more opportunity for initiating moves and countermoves.

### CONs of Quarterly Updates
- Requires additional time on the part of students (ranging from as little as 10 minutes for each quarter if no significant adjustments are called for to perhaps 45-60 minutes if a company has had a bad quarter and needs to work out a recovery plan).
- Generally requires use of a weekly decision schedule where the full-year decision is due on, say, Monday and quarterly updates are due on Tuesday, Wednesday, and Thursday. Trying to compress quarterly updates into a shorter time frame (less than 24 hours per quarter) may be burdensome to students with busy schedules and workloads.

### How Many Co-Managers Should Each Company Have?**

You can assign from 1-5 persons to each company management team. Three or 4-person management teams are probably “optimal” in an undergraduate class while 2 or 3-person teams are “optimal” in an MBA class. The numbers of co-
managers on each team do not have to be equal—some companies can have 3 co-managers and some 4 co-managers. Teams of unequal size are often necessary due to class size. For students who add the class late, it is a simple matter to assign them to an existing team. You may also easily move class members from one team to another (for whatever reason).

As a general rule, smaller teams of 2-3 persons are good for several important reasons:

- **Teams of 2-3 can generally reach consensus decisions quicker than teams of 4-5 because there are fewer people to express their opinions and debate back and forth. And there is likely to be less disgruntlement on the part of a co-manager whose ideas and suggested decision entries fail to gain majority support. On 4-5 person teams, when each team member conscientiously tries to be involved and influential, the process of reaching consensus decisions can be arduous and time-consuming. Expect it to take 30-45 minutes longer for 4 and 5-person teams to hash things out and wrangle back-and-forth to reach a decision (and for there to be more discontent among those co-managers whose preferred strategy and decisions were rejected by the group).**

- **With teams of 2-3 co-managers, each person tends to be more fully engaged in strategizing and decision-making. Each co-manager’s views weigh more heavily in a 3-person group than a 5-person group—there’s more time and opportunity for each co-manager to express his/her ideas and put their imprint on the company’s strategy and decisions. In a group of 4 to 5 co-managers, it is easy for a co-manager to be reticent and simply go along with the group. Indeed, the larger the team size, the greater the propensity for one or two co-managers to slack off and let their more industrious and conscientious colleagues carry the workload.**

- **The bigger the team size, the harder it becomes for co-managers to arrange mutually convenient meeting times.** With 5-person teams, the odds are good that one or more co-managers will be absent from most team meetings, which impedes the ability of co-managers to function as a cohesive and unified team. Admittedly, there will be occasions when all co-managers on a 5-person team are fully engaged; but this tends to be the exception rather than the rule.

Hence, there is a good case for avoiding 5-person teams except where class size dictates otherwise. The best that can be said about a 5-person team is that in theory it spreads the workload and that “5 heads are sometimes better than 2 or 3.” In truth, there is no workload to spread when, in fact, all co-managers should be at all team meetings to make their contribution to crafting a strategy and deciding what to do. **In 2007, the average team size worldwide was about 3.2 persons.**

However, **the decisions as to the number of teams in an industry (within the 4 to 12 limits) and the numbers of co-managers assigned to each team (within the 1 to 5 limits) are totally yours and you should organize your class into teams however you think best for your situation.**

If your class size is above 40 to 45 and thus too big to have 12 companies some with 3 and some with 4 co-managers, you may want to consider dividing the class into 2 industries so as to keep from having very many 5 person teams. With automated processing, it is only a small incremental administrative burden to set up your class with 2 or more industries as compared to having the whole class in a single industry.

When the simulation gets underway, should some teams end up with only two co-managers because one or more of their co-managers drop the course, then we suggest giving the two-person team the option to continue on their own—particularly if the simulation is well underway or if the co-managers are comfortable with continuing on their own. Teams of 2 can be just as successful as teams of 3 or more persons—especially if they are good students and work well together. However, there are features allowing you to delete an existing company or move co-managers to another company if necessary.

**Should You Require Quiz 1 and Quiz 2?** We strongly urge requiring class members to take the quizzes, and counting their quiz scores as part of the final simulation grade. The quizzes were developed to provide you with feedback on each participant’s grasp of GLO-BUS. **Both quizzes are open-book and are aimed at pushing class members to learn what is going on rather than “testing” them.** The questions for both Quiz 1 and Quiz 2 are chosen randomly from a larger bank containing 5 versions of the same 20 questions, so that each participant has a mostly different quiz but is still quizzed on the same 20 topics.

In the links to the quizzes on the Corporate Lobby screen, **all participants are provided a description of what the quiz covers, what printouts to have on hand when taking the quiz, and three sample questions, so that they know what to expect when they take a quiz.**

The questions in Quiz 1 are drawn directly from the Participant’s Guide. If students read the Guide, highlight the parts they consider important, and thumb through the Guide to look up answers they don’t know, they
can easily score 80 or higher on Quiz 1. Scores of 90 and higher on Quiz 1 are common. Those who score 75 or less on Quiz 1 have not read the Guide carefully and are ill-prepared to run their company in an informed manner. **We strongly recommend that the deadline for completion of Quiz 1 be set to coincide with the deadline for the first practice decision** (or the Year 6 deadline if you have not scheduled practice rounds). Such a deadline spurs class members to immediately digest the Participant’s Guide and get a much-needed grasp of the industry situation, how their company operates, and how company performance is scored. This helps them to a good start, both in running their companies and in working with co-managers. When class members score low on Quiz 1 and lack command of how things work, they can’t contribute much to team meetings or be influential in making decision—often they end up being ignored by teammates after numerous times of having to explain why their “off-the-wall” suggestions are a “bad idea.” You have the option to schedule Quiz 1 for completion as late as the second real decision round (the decision for Year 7) or, of course, not to schedule it at all. **You can preview the questions in Quiz 1 by clicking on the link in the Instructor Support section of your Instructor Center web page.**

The default time limit for completing Quiz 1 is an ample 45 minutes, but there is a place to extend this limit when creating your schedule of decision rounds and assignments.

**Quiz 2** tests (1) class member understanding of the information presented in the industry report and competitive intelligence report that they are provided after each decision round and (2) student grasp of the various different strategic options they have for improving their company’s performance. Several of the questions also involve the financial ratios and credit rating measures used in GLO-BUS. The purpose of Quiz 2 is to provide you with a reliable measure of how well each student knows what to look at to diagnose the industry and competitive conditions, determine their company’s competitiveness vis-à-vis rivals, and make wise decisions to boost their company’s performance. All students are instructed prior to taking the quiz to have copies readily available of a recent GLO-BUS Statistical Review, a recent Competitive Intelligence Report, and the “Financial Ratios Used in GLO-BUS” and to use these printouts to help determine the correct answers; they are also urged to also consult the Help pages for any of the decision screens and reports as may be needed—no memorization is required or expected. Students who are making a diligent attempt to run a competitively successful company can make a score of 75 or higher on Quiz 2. Students who make a score below 70 (and certainly very far below 70) are well short of knowing what they need to know to be strong contributors to their company’s management team. **The hard truth is that if students cannot score well on Quiz 2, they are ill-prepared to help run their company in a wise and businesslike manner**—in all likelihood, their team mates view them as “weak” and sorely lacking when it comes to figuring out what needs to be done to improve their company’s performance. **You can preview the questions in Quiz 2 by clicking on the link in the Instructor Resources section of your Instructor Center web page.** Quiz 2 has a default time limit of 90 minutes.

You have the option to schedule the deadline for Quiz 2 to coincide with the deadline for Year 9 or any year thereafter. It is recommended that the deadline correspond to Year 9 or Year 10 for two reasons. By Year 9 or 10 (after 1 or 2 practice rounds and 3 or 4 scored decision rounds), co-managers have had ample time to learn what is going on, what the numbers in the company reports mean and why they are important, and how to use the information to improve the company’s strategy and performance. Setting a later deadline for Quiz 2 completion simply allows less diligent co-managers to coast along in “shoot from the hip” style—this serves no useful purpose. The more co-managers know about their company, the actions of their competitors, and the many ways they have to try to boost their company’s performance—and the quicker they know it, the more they learn from their experience playing GLO-BUS.

We suggest putting a 2.5% to 5% weight on Quiz 1 and a 5% to 7.5% weight on Quiz 2 in determining overall performance scores for each participant. Since both quizzes are “open book”, such weights can easily turn out to be “grade boosters.”

**Note:** You can compare the scores in your class to the average scores earned worldwide on both quizzes by clicking the Vital Statistics link that appears near the bottom of the list of information items for instructors on the www.glo-bus.com home page—the average scores shown are for all quiz-takers worldwide during the specified period.

**Should You Assign a 3-Year Strategic Plan?** Any time after the first three scored decision rounds, you have the option of requiring that each company’s management team to prepare a 3-year strategic plan using the built-in strategic plan module. Preparation of a 3-year strategic plan involves (1) stating a strategic vision for the company in a brief paragraph, (2) establishing objectives for EPS, ROE, credit rating, stock price appreciation, and image rating for each of the next three years, (3) declaring what strategy the company will employ for Entry-Level and Multi-Featured cameras, (4) presenting data showing that the chosen strategy is either currently on track or will require substantial internal changes, and (5) preparing a projected income statement that lays out expected unit sales, revenues, costs, and profits for each of the
four geographic regions and for the company as a whole for each of the next three years. This exercise takes an hour or so to complete (depending on a team’s diligence and speed in achieving consensus).

Having company-co-managers put together a 3-year strategic plan has multiple benefits:

- It prompts company management to think strategically about the company’s long-term strategic direction and future performance prospects rather than running the company one year/decision round at a time. Real-world, managers have to worry about taking actions that will deliver good long-term results.
- It gives company management teams practice in setting “stretch objectives” and then being held accountable for making any strategic and operating adjustments that may be needed to meet or beat the targeted levels of performance that shareholders are expecting (and that are built into the Investors Expectations scoring standard).
- It encourages each management team to wrestle with whether to make any strategy changes in light of growing demand and the likely moves of rival companies.
- It gives co-managers much needed practice in developing 3-year financial projections and exploring the profitability of alternative strategy scenarios, sales volumes, and so on.

All-in-all, assigning a 3-year plan gives you a golden opportunity to drill class members in what is involved in preparing a 3-year plan, while at the same time having them experience the discipline of being held accountable for achieving the 3-year performance targets they establish.

We do not provide an option to assign a 3-year plan before Year 9 for two reasons:

1. Co-managers use the most recent three years of actual results to help them come up with the income statement projections. Thus it takes results for Years 6-7-8 to provide them with enough data to use the 3-year plan option.
2. Until class members have run their company for 3 years and have a feel for the software, the digital camera marketplace, what rival companies are doing, and what their strategy is really going to be, they can’t make reasonable estimates about what the future holds for their company. They need at least 3 years of historical financial and operating data to develop income statement projections that are in the ballpark of what is reasonable.

It is up to you whether to require 1 or 2 plans. The first time you run GLO-BUS consider having companies do a single 3-year strategic plan starting in Year 10 or Year 11 or Year 12 (but make sure that the deadline for the plan is at least 3 years prior to the last decision round so that performance scores for all three years of the plan period can be generated).

If you are having 10 decision rounds (through Year 15), there is time for 2 plans. The procedures and time involved are sufficiently modest that requiring a plan more frequently should not be ruled out, especially if the simulation is the centerpiece of the course and the main workload that students have. The initial plan can be due in Year 9 (for Years 9-10-11) or in Year 10 (for Years 10-11-12). A second plan can then be due in Year 12 (for Years 12-13-14) or else Year 13 (for Years 13-14-15).

The deadline options for the 3-year strategic plan appear on the Decision Schedule page filled out during the Course Setup routine. Just click on the year you want a 3-year plan completed.

A strategic plan is automatically graded on a scale of 1 to 100; scores are tied to whether a company meets or beats its stated performance targets for EPS, ROE, credit rating, image rating, and stock price for each of the three years of the plan. Grading is based on the principle that a company’s strategic plan was “good” if management met or beat the targeted levels of performance and if these targets contained some “stretch.” The thesis here is that company managers should not be rewarded for “sandbagging” and setting easily achieved performance targets. Nor should they be rewarded for setting “pie-in-the-sky” performance targets and then delivering a performance short of the promised results. At the same time, the scoring system does not require a company to pursue its declared strategy for a full three years no matter what. Each company is given the flexibility to modify its strategy of how best to compete against rivals at any time and to make any other operating adjustments. Indeed, most real-world companies adapt their strategies and make operating adjustments as often as circumstances dictate.

The actual scoring algorithm for the strategic plan exercise is described in a later section below and can also be accessed directly from your Instructor Center by clicking on the “How the 3-Year Strategic Plan is Scored” link on the bottom left of the screen.
Should You Require a Company Presentation at the Conclusion of the Simulation Exercise?

A particularly effective way to wind up GLO-BUS exercise and reinforce the learning that has taken place is to have the co-managers of each company prepare a presentation either to their Board of Directors or their shareholders. The class, the instructor, and perhaps invited guests from the business community can serve as board members and/or shareholders. Depending on the number of companies and the amount of time you want to allocate to company presentations (our suggestion is one 75-minute class period), the company presentations can be 5 to 15 minutes in length, with perhaps 5 minutes for Q&A. In our classes, we have all companies prepare a PowerPoint presentation and submit their files to the instructor for grading, but we call on several companies at “random” to make their presentations in class (just enough companies to fill out the class period). In an industry of 10-12 companies, having 4-5 companies make a presentation is usually sufficient, and it allows time for the instructor to sum up the “lessons learned” and obtain feedback on what class members think about their simulation experience.

The Company Presentation link that appears on the Assignments menu near the top of each company co-manager’s Corporate Lobby screen directs the management team to prepare a presentation that covers (1) their company’s performance for all decision rounds, (2) their strategic vision for the company, (3) performance targets for the next year or two, assuming the simulation continued on, (4) their company’s present strategy and how it has evolved, (5) which companies they consider to be their closest competitors, (6) the moves they would make over the next several years to win out over their close competitors and improve their company’s performance and market standing, and (7) lessons learned.

Company co-managers are given the following directions in putting together their presentation:

Unless otherwise instructed, your presentation should include the following topics and slides:

- A brief review of the financial performance of your company during the time you and your co-managers have run the company.
  
  This review should consist of charts showing the following:
  
  o Trends in the company’s annual total revenues
  o Trends in the company’s annual earnings per share (EPS)
  o Trends in the company’s annual return on equity investment (ROE)
  o Trends in the company’s annual credit rating
  o Trends in the company’s year-end stock price
  o Trends in the company’s annual image rating
  
  As you know, when you launch the Decisions and Reports program, there is a Performance Summary containing bar graphs showing your company’s performance on each of the above six performance indicators. To create charts showing your company’s trends for these six measures, simply click on the “Copy to Clipboard” button under each of the bar charts for the final year of the simulation and paste the chart onto a PowerPoint slide (or you can paste the six bar charts into a Word file that you can print out for use in making transparencies).

  If you wish to create additional performance graphs, you can do so, but the above six bar graphs tell an adequate story about your company’s historical performance.

- A slide describing your strategic vision for the company.

- A slide that shows what performance targets for EPS, ROE, credit rating, and image rating you and your co-managers would set for each of the next two years (assuming the simulation were to continue). You may also want to indicate a stock price target as well.

- A slide that sets forth your company’s competitive strategy in entry-level cameras in some detail and how that strategy has evolved over the years you have managed the company. You may need to have more than one slide here if your company’s strategy in entry-level cameras varies markedly from geographic region to geographic region.

- A slide that sets forth your company’s competitive strategy in multi-featured cameras in some detail and how that strategy has evolved over the years. Again, more than one slide may be needed if your company’s strategy in multi-featured cameras varies markedly from one geographic region to another, such that your company is pursuing a meaningfully different competitive strategy in some regions versus others.

- A slide describing your company’s production strategy (as concerns use of overtime, outsourcing, and expansion of in-house assembly capacity) and work force compensation/training strategy
• A slide describing your company’s finance strategy (as concerns dividends, use of debt versus equity, stock issues/repurchases, actions to achieve/maintain a strong credit rating, etc.) You should clearly describe your company’s dividend policy during the period you have managed the company. Here, you should also set forth what sort of dividend increases, if any, you would likely consider paying out in the next two upcoming years (given the EPS targets you have established).

• A slide showing (1) those companies you consider to be your strongest/closest competitors in entry-level cameras as of the last year or two of the simulation and (2) those companies that are your strongest/closest competitors in the multi-featured segment of the marketplace.

• One or more slides detailing the actions you would take to out-compete these close rivals in the next two years (assuming the simulation continues for several more years). Since the actions may differ as between entry-level and multi-featured cameras, you may well need 2 slides here.

• A set of slides detailing the “lessons learned” about crafting a winning strategy and about what the managers of a company should or should not do for a company to be financially and competitively successful in a head-to-head battle against shrewdly-managed rival companies.

You should, of course, adjust the content of your presentation to conform to whatever topical outline that your instructor specifies. Thus, depending on what your instructor tells you about what items to address in your presentation, you may need to add slides covering other topics or delete coverage of some of the above suggested topics.

It is a fairly simple matter for you to provide company co-managers with a different set of instructions and adjust the content of the presentation to suit your preferences.

If you elect to require a company presentation, you will have to specify a “deadline” time on the Decision Schedule for having the presentation ready (probably no later than the class period when the presentations are to be given or perhaps even a few hours before).

As indicated above, we suggest having each company either provide a printout of their slides (at the time of the class presentations) or else e-mail their PowerPoint presentation file (at whatever time you specify).

You will need to grade the presentation. There is a space provided in your online “Individual Grade Book” to enter Company Presentation grades for each company co-manager (this space only appears if you check the box to require a Company Presentation on your decision schedule).

Should You Require an End-Game Peer Evaluation? At the end of the GLO-BUS exercise, it is recommended that you have each co-manager complete “peer evaluations” and also do a self-evaluation (using the same form). Co-managers’ responses to the comprehensive 12-question peer evaluation provide you with feedback about how well a company’s management team functioned—attendance at meetings, teamwork, knowledge of company operations, contribution of ideas and suggestions, and leadership. The answers are scored and recorded in the simulation grade book; peer evaluation scores range from 0 to 100.

Generally, most company co-managers will earn peer evaluation scores of 85 or better, signaling that their colleagues view their “effort index” and contributions as satisfactory and maybe even superb (in the case of scores in the high 90s). Scores below 80 should raise a red flag and merit inspection to discover the causes. You may click on any peer evaluation score for any co-manager and review the entire peer evaluation. If you let class members know that you will review the peer evaluations (only the low scores really need to be inspected individually), then you have a powerful tool for identifying low contributors.

The availability date/time for the “post-game” peer evaluations should normally correspond to the deadline for the last decision round. While co-managers can review the content of the peer evaluation at any time, they are not allowed to complete the peer evaluations until they become available. On the decision schedule, you also have the option to require completion of a “mid-game” peer evaluation as well as a “post game” evaluation. Employing a mid-game evaluation has merit because it provides you with an early warning of co-managers who are sub-par contributors; this gives you an opportunity to intervene and take corrective action before all decisions and assignments have been completed. If you require a mid-game and post-game peer evaluation, then the mid-game scores in your grade book will be discarded when the post-game peer evaluation becomes available.

You have the flexibility to assign percentage weights to the peer evaluation scores in calculating each participant’s overall performance on the simulation exercise, if you so desire. A percentage ranging from 2.5% to as much as 10% might be in order—but you should use caution in placing much weight on the peer evaluation scores. While the scores a co-manager receives on the peer evaluations done by his/her teammates are certainly a useful indicator of overall effort and contribution, some class members may not
be candid and objective in their evaluations for fear of hurting a co-manager’s grade or having the contents of a less-than-commendable evaluation get back to their teammates. So you should not be surprised if class members often “overrate” the performance and contributions of their colleagues. If you require peer evaluations, it is wise to make it clear to the class that the evaluations are “confidential reports” to be seen only by you (this will ease their minds about being honest in answering the peer evaluation questions and lessen the chances of higher-than-deserved scores). You may also want to be deliberately vague about what you plan do with the evaluations, except to say you will definitely look them over and that everyone is expected to complete them in a professional and honest manner. The veiled threat that a bad peer evaluation could carry adverse grade consequences may be enough to cause weak students to think twice about trying to ride co-managers’ coattails to an unearned grade.

The potential for some co-managers to award overly “high” scores to their teammates is reason to be cautious about giving the scores much (if any) weight in the grade calculations. Even so, if you use the peer evaluation scores in conjunction with the rather detailed data provided on each co-manager’s Activity Log (which shows the frequency and length of log-ons, how many times decision entries were saved to the server each decision round, and how many times each set of reports was viewed), you have a pretty good basis for determining if a co-manager was a strong, adequate, or weak contributor. When a co-manager (1) receives very bad peer evaluations and (2) has an Activity Log indicating minimal use of the web site, some sort of grade penalty may be in order. A solid case can be made that it is inherently unfair for low contributors or absentee co-managers to receive a “high” grade when their peer evaluation scores and Activity Logs signal that such a grade is likely to be unearned or undeserved.

Course Setup: A Quick 4-Step Procedure

Setting up GLO-BUS for your course consists of a few simple steps. Log-in to your Instructor account and follow this procedure:

Step 1: Enter a “course/section ID” for the course you are setting up. This Course/Section ID is there only to help your students recognize that they are registering for the appropriate simulation exercise and to help you recognize the course when it is listed in your Instructor Center. Then indicate whether the participants in the course are primarily undergraduates, graduate students, corporate trainees or other (we use this to create a Learning Assurance Report for your class that is based on the performances of the same type of participants).

Step 2: Specify the number of companies you want to create for your class members to run—the options are 4, 8, or 12 companies. You can assign 1 to 5 class members to run each company (assigning 3-4 persons to manage each company is recommended). The requirement of 4, 8, or 12 companies per industry is a “soft requirement” so as to preserve geographical balance in the market shares of all the companies. While all companies are on an equal footing from a global perspective when the simulation starts in Year 6, each company begins the exercise with a strong market position in one region, intermediate market positions in two regions, and a weak market position in one region as shown below:

<table>
<thead>
<tr>
<th>Percentages of Company Sales Volume in</th>
<th>North America</th>
<th>Europe-Africa</th>
<th>Asia-Pacific</th>
<th>Latin America</th>
</tr>
</thead>
<tbody>
<tr>
<td>¼ of the companies (companies A, E, and I)</td>
<td>40% of unit sales</td>
<td>20% of unit sales</td>
<td>10% of unit sales</td>
<td>10% of unit sales</td>
</tr>
<tr>
<td>¼ of the companies (companies B, F, and J)</td>
<td>10% of unit sales</td>
<td>40% of unit sales</td>
<td>30% of unit sales</td>
<td>20% of unit sales</td>
</tr>
<tr>
<td>¼ of the companies (companies C, G, and K)</td>
<td>20% of unit sales</td>
<td>10% of unit sales</td>
<td>40% of unit sales</td>
<td>30% of unit sales</td>
</tr>
<tr>
<td>¼ of the companies (companies D, H, and L)</td>
<td>30% of unit sales</td>
<td>20% of unit sales</td>
<td>10% of unit sales</td>
<td>40% of unit sales</td>
</tr>
</tbody>
</table>

Preserving balanced market shares among the companies competing in each geographic region is desirable, but it is certainly not essential. Hence, if having 4, 8, or 12 companies in an industry turns out to be a problem and you really want only 6 companies, then you can select 8 and later remove the 2 “unmanned” companies using the “Remove Company” Administration Menu option.

Note: With a class bigger than 60 students, the class will need to be split into two (or more) industries, given the limits of 12 companies per industry and 5 co-managers per company. You
might also want to split a class with fewer than 60 students into two industries in order to keep the number of co-managers per company in the 3-4 range.

**Step 3:** Specify a decision schedule (using the built-in calendar and times), indicating how many practice decision rounds and how many regular (scored) decision rounds you want to have and establish deadline dates/times for each.

On this same screen, you will also be asked to indicate:

(a) What deadlines to set, if any, for completing Quiz 1 and Quiz 2 (requiring completion of both quizzes is highly recommended).

(b) What deadlines to set, if any, for completing 3-year strategic plans.

(c) Whether to utilize the Special Order bid option (very highly recommended) and when to start it (we suggest Year 9 or so). **You will need to click on the Special Order option button every year that you want it to be available to company co-managers.**

(d) Whether you want to allow quarterly updates of selected decision entries (recommended for the last 2-3 decision rounds). **You will need to click on the Quarterly Updates option button every year that you want it to be available to company co-managers.** When you activate the quarterly update option for a year, you will need to establish 4 deadlines—one for completion of the full-year decision entries, one for completing any decision updates for Q2, one for completing any updates for Q3, and one for completing any updates for Q4.

(e) What deadline to set if you wish to have co-managers prepare a presentation covering their company's performance and operations at the end of the GLO-BUS exercise.

(f) What deadlines to set, if any, for mid-game and post-game peer evaluations—post-game peer evaluations are strongly recommended.

More detailed information about these aspects of your decision schedule was presented earlier. However, you will also be able to read all these discussions on the screen at the time you create the Decision Schedule and set deadlines for the companies to complete their decision entries.  

**You always have the option to come back to this screen for scheduling decision rounds and other assignments later and make changes in the assignments and/or the deadline dates.**

**Step 4:** Generate and print the list of company registration codes that you will need to give each class member to use in registering for the simulation at www.glo-bus.com. **You must give each class member on each team/company the appropriate company registration code prior to having them register because this code is used to (1) enroll the student in your class, (2) designate the student as a co-manager of the assigned company, (3) restrict a co-manager’s access to only the industry and company you assigned them, and (4) enter the student’s name in your online grade book.** When students register, they will be asked to enter the company registration code you provide them—class members cannot register without the registration code for their particular industry and company.

That’s all there is to it. You can completely set up GLO-BUS for your course in 20-25 minutes the first time you use the simulation. Once you have used GLO-BUS and gotten comfortable with how you want to administer the exercise, it should take no more than 15 minutes to go through the Course Set-Up routine.

Remember to take a printout of the company registration codes to class and make sure each student is given the appropriate code for their assigned company. A good procedure is to give each class member a copy of the printout of the company registration codes and have them circle the code for the company they have been assigned to manage. Each different company goes by a letter of the alphabet (A, B, C, etc.). Each co-manager of Company A will need the registration code ending in the letter A to complete the registration process; each co-manager of Company B will need the code ending in B, and so on. If you have 8 companies, then the corresponding company letters appearing at the each of each code number will be A, B, C, D, E, F, G, and H. **Once co-managers register, they can create a name for their company that begins with their corresponding company letter.**

**How Do Class Members Register and Gain Full Access to the GLO-BUS Website?**

When class members complete the registration process at www.glo-bus.com, they gain instant access to the GLO-BUS web site, ability to view/print the Participant’s Guide, and full navigation privileges to everything needed to run their company and complete the various optional assignments. For co-managers to register,
you will first have to provide them with their Company Registration Code, in the manner just discussed in the prior section. Registration is accomplished in one of three ways:

1. **Credit Card Registration**—When a student creates a GLO-BUS account, the registration fee plus applicable sales taxes can be paid online by credit/debit card (Visa, MasterCard, American Express, Discover) during the registration process. (This approach is used by about 75% of all registrants.) **Rest assured that the GLO-BUS website fully secured; credit card registrants will receive a receipt confirming their payment.**

2. **Prepaid Access**—If you adopt a McGraw-Hill text or create a custom McGraw-Hill text for your course, you have the option of "packaging" prepaid use of GLO-BUS with your text. A text-simulation package is ordered through your local book store using a special ISBN code provided by McGraw-Hill. When your book store places a package order, McGraw-Hill will shrink-wrap a Prepaid Access Code card for the simulation with the new or custom text and ship it to your book store where class members purchase the text-simulation package in the normal manner. Class members then register online using the Prepaid Access Code printed on the card rather than a credit/debit card. However, you should be aware that aggressive bookstore markups often result in class members paying considerably more for GLO-BUS in a combination text-simulation package than they would pay via credit/debit card at the website. To obtain a special ISBN for a text-simulation package, contact your local McGraw-Hill account representative or GLO-BUS instructor support by phone (205-722-9149) or e-mail (techsupport@glo-bus.com).

3. **Direct-Billing**—If your college/university includes the cost of text books and other course materials in the tuition fee for the course (and a McGraw-Hill text-simulation package has not been ordered for your course), then you can obtain Prepaid Access Codes for student registration (one for each class member) directly, and we can direct-bill your department/college/university. For your convenience, we can supply the desired number of Prepaid Access Codes within minutes of receiving a request (before an invoice is even sent). For more information on this option, contact GLO-BUS instructor support by phone (205-722-9149) or e-mail (techsupport@glo-bus.com).

If some of your students do not have a credit card or a Prepaid Access Code, the easiest way for them to register is to arrange to use a friend’s or co-manager's credit card and reimburse them directly with cash or a check.

**The Corporate Lobby Web Page for Company Co-Managers.** Upon completing the registration process, company co-managers immediately arrive at the company’s “Corporate Lobby”. Each time they log in at www.glo-bus.com, they go directly to the Corporate Lobby page. The Corporate Lobby is a gateway or hub that co-managers use to **access all needed information and work on all assigned tasks.**

**All company co-managers have 24/7/365 access to their Corporate Lobby** on any Windows-based PC or Apple Mac connected to the Internet, provided the computer has a Web browser (such as Internet Explorer or Firefox or Safari) and Flash 10.3 (or later)—students using a computer without the needed version of Flash already installed will be automatically directed to the Flash site where the latest version can be downloaded and installed free of charge in a few minutes. All co-managers can be logged on simultaneously from whatever location. **Team members running the same company can use the integrated on-screen chat system or phones to collaborate when working online at the same time from different locations—the built-in chat feature make the simulation ideal for distance learning courses and also facilitates co-manager collaboration when working from different locations.**

The Corporate Lobby prominently displays the last date and time of every co-manager’s log-in. If another logged-on co-manager clicks on the Save button to save new decision entries to the GLO-BUS server, the other logged-in co-managers are notified of such an action. The very next time the Save button is pressed the co-manager is given the choice of (1) overriding the first co-manager’s saved decision entries by saving their own decisions to the server or (2) importing the first co-manager’s decisions onto their decision screens and overriding their own entries. All of this facilitates coordinating decision entries when co-managers are simultaneously online at different locations.

**How Much Should GLO-BUS Count in the Total Course Grade?**

Whether class members take the simulation exercise seriously hinges in large part on whether you make performance on GLO-BUS count enough in the overall course grade to get their attention. As a general rule, we recommend having performance on the simulation count at least 20% of the overall course grade and probably no more than 40% of the total grade. If it counts less than 20%, then class member effort is weakened to an undesirable extent and some of the learning potential slips through the cracks. If it counts
more than 40%, then the GLO-BUS exercise may take something away from the emphasis you want to give to other aspects of the course.

However, growing numbers of users are making the simulation the *dominant centerpiece* of their courses (particularly in online and distance learning courses where case analysis is difficult to use effectively). When GLO-BUS functions as the primary part of the course (aside from the content of the chapters in the textbook you have adopted), then counting the simulation as 50-60% (or more) of the final grade is reasonable, given that you can use the quizzes, one or two 3-year strategic plan assignments, and perhaps an end-of-simulation presentation to an invited panel of 3 or 4 persons (who act as a company board of directors) as a substitute for assigning students a larger number of cases to analyze.

A related grading issue is how much each of the various assignments within GLO-BUS should be weighted. You have full control over these weights and can change them at your pleasure by entering different weights at the top of the columns of your “Individual Grade Book.” A table of suggested weights is presented below:

<table>
<thead>
<tr>
<th>Performance Measures</th>
<th>Option 1</th>
<th>Option 2</th>
<th>Option 3</th>
<th>Option 4</th>
<th>Option 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall company performance on the 5 scoring measures</td>
<td>85.0%</td>
<td>80.0%</td>
<td>75.0%</td>
<td>75.0%</td>
<td>70.0%</td>
</tr>
<tr>
<td>Quiz 1 (a relatively easy quiz on the content of the Participant’s Guide)</td>
<td>2.5%</td>
<td>3.0%</td>
<td>2.5%</td>
<td>2.5%</td>
<td>2.5%</td>
</tr>
<tr>
<td>Quiz 2 (a harder quiz covering important aspects of company operations and financial outcomes)</td>
<td>7.5%</td>
<td>7.0%</td>
<td>5.0%</td>
<td>5.0%</td>
<td>5.0%</td>
</tr>
<tr>
<td>Performance on strategic plan #1</td>
<td>N.R.</td>
<td>5.0%</td>
<td>5.0%</td>
<td>2.5%</td>
<td>3.0%</td>
</tr>
<tr>
<td>Performance on strategic plan #2</td>
<td>N.R.</td>
<td>N.R.</td>
<td>N.R.</td>
<td>5.0%</td>
<td>7.0%</td>
</tr>
<tr>
<td>Company presentation</td>
<td>N.R.</td>
<td>N.R.</td>
<td>10.0%</td>
<td>5.0%</td>
<td>10.0%</td>
</tr>
<tr>
<td>Peer evaluation scores of co-managers</td>
<td>5.0%</td>
<td>5.0%</td>
<td>2.5%</td>
<td>5.0%</td>
<td>2.5%</td>
</tr>
</tbody>
</table>

N.R. = not a required assignment

We suggest caution in placing less than a 70% weight on overall company performance, since lower weights weaken the incentive of company co-managers to make businesslike decisions and do the requisite analysis and strategic thinking to boost their company’s performance.

It makes sense to place a significantly higher weight on Quiz 2 as opposed to Quiz 1, because Quiz 2 is harder and tests individual understanding of important aspects of company operations.

We also suggest weighting a second strategic plan higher than the first plan because (1) co-managers are more knowledgeable about how to do a good plan the second time around, (2) they have more experience in appraising the impact of changing market conditions, and (3) they have more experience in setting performance targets and trying to meet or beat them.

**How Company Performances Are Scored**

The scoring procedure for GLO-BUS is tied to how well each company is able to meet or beat the 5 performance targets which board members have set for each company’s management team:

- **Grow earnings per share at least 8% annually through Year 10 and at least 4% annually thereafter** — These EPS growth targets are well within reason given that the global digital camera market is expected to grow 8% annually through Year 10 and 4% annually in Years 11-15. Board members and shareholders believe a winning strategy should, at a minimum, be able to deliver EPS growth at the low end of the market growth percentages. All companies had an EPS of $2.00 at the end of Year 5 (when the new co-managers you assigned to run the company took over).

- **Maintain a return on equity investment (ROE) of 15% or more annually.** All companies had a 17% ROE in Year 5. Return on equity is defined as net income divided by total shareholders’ equity investment (as reported on the company’s balance sheet).

- **Maintain a B+ or higher credit rating.** All companies had a B+ credit rating at the end of Year 5.
• Achieve an “image rating” of 70 or higher. GLO-BUS calculates an image rating for each company based on (1) its Performance/Quality (P/Q) ratings for both entry-level and multi-featured cameras, (2) its market shares for both entry-level and multi-featured cameras in each of the four geographic regions, and (3) company actions to display corporate citizenship and conduct operations in a socially responsible manner over the past 4-5 years. All companies had an image rating of 70 at the end of Year 5.

• Achieve stock price gains averaging about 8% annually through Year 10 and about 4% annually thereafter. Such stock price gains are definitely within reach if a company meets or beats the annual EPS targets and pays an increasing dividend. All companies had a stock price of $30 per share at the end of Year 5. Each company’s stock price is a function of earnings per share growth, ROE, credit rating, dividend per share growth, and management’s ability to consistently deliver good results (as measured by the percentage of these 5 performance targets that each company achieves over all completed decision rounds).

The default weight placed on all five performance targets is 20%. The five weights translate into 20 points out of 100 for each of the 5 performance measures, with the sum of the points adding to a total of 100 points. There is an option on your Administrative Menu for each “industry” that allows you to alter these weights however you see fit. The scoring weights selected are reported to all company co-managers in the narratives at the bottom page 1 of the GLO-BUS Statistical Review and also in the narratives showing the company scores on each scoring variable on pages 2 and 3 of the GLO-BUS Statistical Review. Hence, class members will be well aware of what the weights are.

Using the assigned weights (or corresponding number of points out of 100), each company’s performance on the 5 measures is tracked annually and company performance scores are calculated from two different angles: the “investor expectations” standard and the “best-in-industry” standard.

Special Note: The scoring procedures described below may seem more complicated than they really are because we are providing full details and explanations of how the scoring works—in truth a company’s overall performance cannot be fairly or accurately gauged by “keeping it simple” and looking at just a couple of performance measures. A “balanced scorecard” for determining how well a company is doing financially and strategically has to be multi-faceted and somewhat sophisticated in order to look at a company’s performance from several perspectives and angles.

The GLO-BUS scoring methodology, introduced in 2003 and now used for tens of thousands of participants, has a time-tested track record of working exceptionally well. The scoring synopsis provided to co-managers on the company scoreboard (pages 1, 2, and 3 of the GLO-BUS Statistical Review) is straightforward and easily grasped—we get very few questions about how the scoring works. Company co-managers can discern exactly why their scores are high or low relative to the other companies, and it is always indisputably clear which companies are the industry leaders and which companies are being outperformed.

The Investor Expectations (I.E.) Standard for Company Scoring. The Investor Expectations Standard involves calculating an annual “Investor Expectation Score” based on a company’s success in meeting or beating the five investor-expected performance targets each year. There is also a Game-to-Date or “all-years” Investor Expectation Score that shows a company’s success in achieving or exceeding the expected performance targets over all years of the exercise completed so far. Some important aspects of how the Investor Expectation (I.E.) Scores are calculated are summarized below:

• Meeting each expected performance target is worth some number of points based on the scoring weight you select (the default scoring weights—which we recommend using—are 20% or 20-points each). For instance, if the scoring weight for EPS (or ROE or stock price or image rating or credit rating) is 20%, meeting the EPS (or ROE or stock price or image rating or credit rating) target earns a score of 20 on the EPS (or ROE or stock price or image rating or credit rating) performance measure.

• Beating the EPS, ROE, stock price, and/or image rating targets are worth point bonuses of 0.5% for each 1.0% that a company’s actual performance exceeds the expected performance for EPS, ROE, stock price, and image rating, up to a maximum 20% bonus for each measure. For example, if a company achieves an EPS of $6.00 when the target is $4.00 and if EPS carries a 20-point weighting, then the company will receive an EPS score of 24 (because it beat the target by 50% and qualifies for the maximum 20% bonus over the 20-points awarded for just matching the EPS target). Bonus points are also awarded for credit ratings above B+, with a full 20% point bonus being given for an A+ rating.

• Failure to achieve the investor-expected target for EPS or ROE or stock price or image rating results in a score for that performance measure between 0 and the point maximum for that measure, with the score depending on the percentage of the target achieved. For instance, if a company achieves a stock price
of $22 at a time when the stock price target is $50, then the company’s score on the stock price target (assuming a 20% weight and thus 20 possible points) would be 9 points ($22 divided by $50 = 0.44 or 44%; 44% of the 20 points awarded for meeting the stock price target translates into a point score of 9 points, rounded to the nearest whole number).

- If a company’s EPS is negative, no points are awarded toward meeting investor expectations for EPS.
- If in a given year a company loses money and has a negative ROE, no points are awarded on the ROE measure.
- If the point weighting for credit rating is 20 (which equates to a maximum of 24 points including the bonus), then the various possible credit rating scores are as follows:
  
<table>
<thead>
<tr>
<th>Credit Rating</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>A+</td>
<td>24</td>
</tr>
<tr>
<td>A</td>
<td>23</td>
</tr>
<tr>
<td>A–</td>
<td>22</td>
</tr>
<tr>
<td>B+</td>
<td>20</td>
</tr>
<tr>
<td>B</td>
<td>16</td>
</tr>
<tr>
<td>B–</td>
<td>12</td>
</tr>
<tr>
<td>C+</td>
<td>8</td>
</tr>
<tr>
<td>C</td>
<td>4</td>
</tr>
<tr>
<td>C–</td>
<td>0</td>
</tr>
</tbody>
</table>

  
- The sum of a company’s scores (including bonus points) on each of the 5 investor-expected targets equals its annual I.E. Score. Exactly meeting each of the 5 performance targets produces an I.E. Score of 100. Beating the EPS, ROE, stock price, and image rating targets by 20% or more and earning an A+ credit rating results in a maximum achievable I.E. Score of 120.

- A company’s Game-to-Date Investor Expectation Score (for all years completed so far) is based on (1) its weighted-average EPS for all years completed versus the average of the EPS targets for all years completed, (2) its weighted-average ROE for all years completed versus an all-year or ongoing ROE average of 15%, (3) an average of its image rating for the 3 most recent years as compared to an ongoing, every-year image-rating target of 70, (4) its most recent year’s stock price versus the most recent year’s stock price target, and (5) its most recent year’s credit rating versus the ongoing credit rating target of B+, as summarized below:

  o **Game-to-Date I.E. Scoring for EPS** is based on how each company’s weighted-average EPS for all years completed stacks up against the average of the EPS targets for all years completed. Companies that meet the all-year weighted-average EPS target receive a score equal to the EPS point weighting; companies that beat the weighted-average EPS target receive bonus points of up to 20%, and companies that fall short of the weighted-average EPS target receive scores equal to the fraction of the EPS target that was achieved.

  o **Game-to-Date I.E. Scoring for ROE** is linked to how each company’s weighted average ROE for all years completed stacks up against the all-year ROE average target of 15%. Companies that meet the all-year 15% average ROE target receive a score equal to the ROE point weighting; companies that beat the 15% ROE target receive bonus points of up to 20%, and companies that fall short of the 15% ROE target receive scores equal to the fraction of the 15% ROE target that was achieved.

  o **Game-to-Date I.E. Scoring for Stock Price** hinges only on each company’s most recent year’s stock price, not some all-year average. The latest stock prices of companies in the industry are used to measure the game-to-date I.E. score for stock price because a company’s latest stock price is a function of EPS growth, ROE, credit rating, dividend per share growth, and management’s ability to consistently deliver good results (as measured by the percentage of these 5 performance targets that each company achieves over all completed decision rounds) and thus includes a heavy long-term element. Companies that meet the most recent year’s stock price target receive a score equal to the stock price point weighting; companies that beat the most recent year’s stock price target receive bonus points of up to 20%, and companies that fall short of the most recent year’s stock price target receive scores equal to the fraction of the stock price target that was achieved.

  o **Game-to-Date I.E. Scoring for Credit Rating** is keyed to how each company’s latest credit rating compares against the ongoing rating of B+. The latest year’s credit rating is used to measure the game-to-date credit rating score, as opposed to an all-year average credit rating, because a company’s latest credit rating is largely reflective of management’s entire multi-year record of finance-related actions/decisions and the overall financial condition and balance sheet strength that
management has engineered to date. The game-to-date I.E. scores for credit rating are always the same as for the current-year scores because both are based on the most recent year’s credit rating.

- **Game-to-Date I.E. Scoring for Image Rating** is based on how each company’s average image rating for the most recent three years stacks up against the all-year average target of 70. A 3-year average image rating is used to measure game-to-date performance, as opposed to an all-year average, so as not to burden a company’s performance by image ratings that are not representative of the image and reputation it has recently achieved with its strategy. Companies whose average image rating for the most recent 3 years equals the 70 image rating target receive a score equal to the image rating point weighting; companies having 3-year average image ratings above 70 receive bonus points of up to 20%, and companies having 3-year average image ratings below 70 receive scores equal to the fraction of the image rating target of 70 that was achieved.

The sum of a company’s Game-to-Date scores on each of the five scoring measures equals its total Game-to-Date I.E. Score. Special Note: The Game-to-Date I.E. scores are thus definitely not equal to an average of the annual I.E. scores.

- Annual and Game-to-Date Scores of 100 to 120 are excellent, scores of 90-99 are very good, scores of 80-89 are good, scores of 70-79 are fair, and scores below 70 reflect consistently “sub-par” results in meeting the targets that investors and the company Board of Directors expect management to achieve.

**The Best-in-Industry (B-I-I) Standard for Company Scoring.** The best-in-industry or B-I-I standard concerns how well each company performs relative to the “best-in-industry” performer on 4 measures—EPS, ROE, stock price, and image rating—and how close each company comes to the ultimate credit rating of A+.

Again, the performance scores are based on the weights/points assigned to each of the 5 performance measures, with the sum of the points on the 5 measures adding to 100. The Best-in-Industry Standard entails assigning the best-performing company the highest number of points and then assigning each remaining company a lesser number of points according to what percentage of the leader’s performance they were able to achieve. For instance, if ROE is given a weight of 20% (20 points), an industry-leading ROE performance of 25% gets a score of 20 points and a company with an ROE of 20% (which is 80% as good as the leader’s 25%) gets a score of 16 points (80% of 20 points)—the B-I-I scores for EPS, stock price and image rating work in precisely the same manner. The procedure is slightly different for the credit rating measure—each credit rating grade is tied to the number of points the instructor assigns to the credit rating (an A+ rating always gets a best-in-industry score equal to the instructor-chosen maximum, with the grades for other credit ratings scaled down all the way to 0 for a C—rating).

**Each company’s Best-in-Industry (B-I-I) Score is equal to its combined point total on the five performance measures.** In order to receive a score of 100, a company must (1) be the best-in-industry performer on EPS, ROE, stock price, and image rating, (2) achieve the targets for EPS, ROE, stock price and image rating set by the company’s Board of Directors, and (3) have an A+ credit rating. B-I-I scores of 80 to 100 reflect good-to-excellent performance; scores under 50 should cause company co-managers great concern and signal the need for immediate strategy improvement.

Some important aspects of how the Best-in-Industry Score is calculated are summarized below:

- **The best-in-industry scoring standard** is based on a maximum score of 100 points, with each scoring variable carrying a 20-point rating (unless you alter the 20% default weights). To get a score of 100, a company has to be the highest performing company—termed the best-in-industry performer—on all five performance measures during the year, meet or beat the EPS, ROE, stock price, and image rating targets, and have an A+ credit rating.

- The best-in-industry performer on each measure earns a perfect score (the full number of points based on the chosen point weightings—provided the industry leader’s performance on that measure equals or exceeds the performance target established by company Boards of Directors). Each remaining company earns a fraction of the points earned by the best-in-industry performer that is equal to its performance (on EPS, ROE, stock price, and image rating) divided by the performance of the industry-leading company (on EPS, ROE, stock price, and image rating). For instance, if EPS is given a weight of 20 points and if the EPS target is $4.00, an industry-leading EPS performance of $5.00 gets a score of 20 points and a company with an EPS of $2.00 (which is 40% as good as the leader’s $5.00) gets a score of 8 points (40% of 20 points). Likewise, if stock price is given a weight of 20 points, an industry-leading stock price performance of $75 at a time when the target stock price is $50 gets a score of 20 points and a company with an stock price of $60 (which is 80% as good as the leader’s $75) gets a score of 16 points (80% of 20 points).
Whenever the best-in-industry performer’s EPS, ROE, stock price, or image rating is below the corresponding target for the year, the industry-leading company is not awarded a perfect score (the maximum number of points) but rather a percentage of the maximum score that equals the leader’s EPS, ROE, stock price, or image rating as a % of the corresponding target for the year. Thus if the best-performing company has an ROE of 13.5% (versus the every-year target of 15%) and if ROE carries a 20-point weighting, the best-performer earns an ROE score of 18 points (13.5% divided by 15% = 0.90 or 90%, and 90% of 20-points is 18 points). This is done to prevent a company with the highest average EPS, ROE, stock price, or image rating from being awarded the equivalent of an A+ Best-in-Industry Score when its performance on EPS, ROE, stock price, or image rating actually falls short of the level established by company Boards of Directors. In all such instances, each remaining company will earn a fraction of the points earned by the best-in-industry performer, with that fraction being equal to its performance (on EPS, ROE, stock price, and image rating) divided by the performance of the industry-leading company (on EPS, ROE, stock price, and image rating). Hence, if the industry best-performer has a 13.5% ROE and earns an ROE score of 18 points, a company with an ROE of 12% will receive a score of 16 points (12% divided by 13.5% = 0.889 or 88.9% and 88.9% of 18 points = 16 points).

The procedure for assigning best-in-industry scores is a bit different for the credit rating measure. Each credit rating grade from A+ to C− carries a certain number of points that scales down from the maximum number of points for an A+ credit rating to 1 point for a C− rating. If the credit rating weight is 20 points out of 100, the B-I-I point awards for credit rating are as follows:

- A+ 20 points (or 100% of the point weighting)
- A 19 points (or 95% of the point weighting)
- A− 18 points (or 90% of the point weighting)
- B+ 17 points (or 85% of the point weighting)
- B 14 points (or 70% of the point weighting)
- B– 11 points (or 55% of the point weighting)
- C+ 8 points (or 40% of the point weighting)
- C 4 points (or 20% of the point weighting)
- C− 1 point (or 5% of the point weighting)

All companies that lose money in any given year and end up with a negative EPS automatically receive a best-in-industry EPS score of 0 points.

Similarly, companies with a negative ROE receive a best-in-industry ROE score of 0 points.

Each company’s B-I-I score equals its combined point total on the five performance measures.

Best-in-Industry performance scores of 90-99 are excellent, scores of 80-89 are good to very good, scores of 70-79 are fair to good, scores of 60-69 are weak to fair, and scores below 60 reflect a performance roughly 40% or more below that of companies with scores in the 90s—which says that such companies were outperformed by other companies in the industry by a significant margin.

The highest possible Best-in-Industry (B-I-I) Score is 100, earned only if a company is the best-in-industry performer on EPS (with an EPS equal to or above the target), the best-in-industry performer on ROE (with an ROE of at least 15%), the best-in-industry performer on stock price (with a stock price equal to or above the yearly target), and the best-in-industry performer on image rating (with an image rating of at least 70) and also has an A+ credit rating.

Combining the Annual and Game-to-Date I.E. Scores and B-I-I Scores into Overall Scores. The scoring includes both an annual and a game to date “Overall Score” for each company. These scores are determined by combining each company’s Investor Expectation Score and the Best-in-Industry Score into a single score using whatever weighting you wish (the default weighting—which we strongly recommend—is 50-50). The Annual Overall Scores for the various companies are a weighted average of their respective annual I.E. scores and the annual B-I-I scores, while the Game-to-Date Overall Scores are a weighted average of the game-to-date I.E. scores and the game-to-date B-I-I scores.

Since I.E. scores can range as high as 120, it is common for the Overall Scores of the very best-performing companies to be greater than 100. Overall Scores greater than 100 are clearly indicative of superior company performance and are definitely worthy of an A or A+. As a general rule, we think that companies with an overall performance score of 90 or above at the conclusion of the decision rounds should get anywhere from an A− to an A+ on this portion of the GLO-BUS exercise. Companies with overall game-to-date scores of 80-89 should get a B− to a B+ (or higher if there are no companies with scores of 90 or more). Companies with an overall performance score of 70-79 above should get a grade in the C range (or
higher depending on how many companies have higher scores). You may find it desirable to scale the company grades if competition turns out to be so fierce or cutthroat that companies in the industry can’t earn profits that meet investors’ performance expectations and thus end up with “low” overall game-to-date scores. In most of our classes, we end up scaling the performance scores of companies with overall scores below 70, but there is usually at least one company with a score above 90 (clearly meriting an A)—hence scaling the grades on the upper end of the industry rankings is typically unnecessary.

The latest Game-to-Date I.E. scores, Game-to-Date B-I-I scores, Game-to-Date Overall Scores, and industry rankings (based on the Overall Scores) are shown in your Instructor Center—on the administration page for each “industry” you have created. The same scoreboard box is always displayed on each company’s Corporate Lobby page (the first page they see when they log in). Moreover, after each decision round, all company co-managers can view or print a complete scoreboard showing each company’s performance on every aspect of scoring, including all the scoring weights; this complete scoreboard is provided on the first three pages of the GLO-BUS Statistical Review. The Help sections for each page of the 3-page Company Scoreboard provide detailed, easy-to-understand explanations of the scoring, so there is no “mystery” factor about how the scoring.

**Bonus Point Scoring Awards.** Company co-managers have the opportunity to qualify for two special bonus point awards that can boost the company’s overall game-to-date score. Both bonus awards are a part of the simulation scoreboard, are calculated and awarded automatically to qualifying companies, and shown as an addition or adjustment to a company’s overall score. The two bonus point awards involve:

**Bull’s Eye Award** (awarded annually for accurately projecting the company’s performance) – One bonus point is added to a company’s game-to-date score when (1) the company’s actual total revenues are within ±5% of projected total revenues, (2) the company’s actual EPS is within 10¢ or ±5% of projected EPS, and (3) the company’s actual image rating is within ±4 points of the projected image rating. **To qualify for the Bull’s Eye Award in a given year a company must achieve all three of the above requirements for that year.**

- **Standard rounding rules apply to the ±5% calculations for revenues and EPS.** There are no decimal points involved in the calculation and reporting of a company’s Image Rating.
- **No partial bonus points are awarded when just one or two of these three conditions are met.**
- **There are as many 1-point Bulls Eye bonus point awards as there are companies that meet all three conditions.**
- **There is no limit on the number of Bull’s Eye Awards a given company can receive.** Hence receiving a Bulls Eye Award for each of the various decision rounds can significantly impact a company’s overall score.
- While Bull’s Eye Award statistics are provided during the practice rounds for illustrative purposes, any awards are erased after the practice rounds—in other words, any Bull Eye Awards during the practice rounds “do not count” and will not be included in the bonus-point additions to a company’s final game-to-date score.
- The total bonus points accumulated by each company and the bonus-point-adjusted overall score for each company are shown in the bottom section of page 1 of the GLO-BUS Statistical Review where the Overall Game-to-Date company scores appear.

**Leap Frog Award** (awarded annually for most improved overall performance) – Beginning in Year 12, one bonus point is added to a company’s overall game-to-date score when the company’s current-year score shows the biggest improvement over its prior year’s score (based on number of points, rather than percentage improvement) in comparison to the score gains of all other companies in the industry. In the rare instance where all companies fail to improve their current scores from one year to the next, a Leap Frog bonus is not awarded.

- **The first Leap Frog Award is given in Year 12** (since it takes two years of results for a company to show improvement over its prior year’s results).
- **In case two or more companies tie for the biggest point-improvement in overall score, each company will receive a 1-point Leapfrog Award bonus.**
- **In the rare instance where all companies fail to improve their current scores from one year to the next (indicated by a negative year-to-year change in overall score for all companies in the industry), a Leap Frog bonus is not awarded.**
• The total bonus points accumulated by each company and the bonus-point-adjusted overall score (including both Bull’s Eye and Leap Frog bonuses) for each company are shown in the bottom section of page 1 of the GLO-BUS Statistical Review where the Overall Game-to-Date company scores appear.

The Bull’s Eye and Leap Frog awards accomplish three worthwhile purposes:

1. Add heightened interest and excitement when the performance outcomes of each decision-making round become available.

2. Spur company co-managers to put more thought and analysis into making accurate projections of upcoming-year outcomes and searching for a strategy and decision combination with the most realistic chance of producing good year-over-year overall improvement (just as occurs in real-world companies). Students will certainly appreciate being rewarded when their efforts to accurately anticipate their company’s performance or to achieve a bigger jump in overall score than rivals are successful.

3. Give grade-conscious company-teams an opportunity to enhance their overall scores via measures outside the five standard simulation scoring variables.

There’s a page on the Industry Scoreboard (p. 3b of the GLO-BUS Statistical Review) devoted exclusively to reporting the bonus points awarded to all companies across all the decision rounds—the accompanying Help pages provide students with detailed explanations of how the Bonus Point awards are calculated. Since the total bonus points accumulated by each company and the bonus-point-adjusted overall score for each company are shown on page 1 of the Footwear Industry Report, all class members and the instructor can readily track the status and impact of the bonus point awards throughout the simulation exercise.

By default, both Bonus Point Awards are enabled when you complete the Course Setup procedure and set up the simulation exercise for your class. However, you can disable the awarding of bonus points by unchecking the Bonus Awards box that appears in the Company Performance Grade Book (which is accessed from the Administration Menu). We strongly urge that you utilize the bonus point scoring feature at least initially—even if you are skeptical about its value. We are quite confident that your class members will enthusiastically applaud its use and that you will come to see the merits of the bonus point awards!!!

What to Do If You Decide to Alter the Default Scoring Weights. The “default weights” for the five performance measures on which each company is scored were set at 20% each because a 20% weight for each of the five variables constitutes a “balanced scorecard” that is in reasonably close accord with judging the performance of real-world companies. However, you can alter these weights any time you see fit, using item F on the Administration Menu—the details are presented in the following section.

What to Do If You Want to Change the 50-50 Default Weights for the Two Scoring Standards. As explained above, the default weights for the 2 scoring standards in GLO-BUS are 50% for the Investor Expectations Standard and 50% for the Best-in-Industry Standard. Other alternatives include 67%-33%, 33%-67%, 75%-25%, 25%-75%, 80%-20%, or 20%-80%. Of course, if you want to use just one of the standards, you can place a weight of 100% on that standard and a 0% weight on the other.

To select weights other than 50-50, you will need to go to the online grade book (item C on the Administrative Menu), click on the Company Grade Book link, enter the desired weights for the 2 scoring standards in the boxes near the top of the grade book, and press the “Save” button—the weighted average performance scores in the right column of the grade book will automatically be recalculated and the Overall Scores in the Scoreboard box on your Industry Menu page and on each company’s Corporate Lobby page will be based on the new weights.

Concluding Comments about Scoring Company Performance. One very important point about the GLO-BUS scoring methodology warrants emphasis: it is a company’s overall score that matters (how close company scores are to 100-120 in the case of the Investor Expectations Scoring Standard and how close they are to 100 in the case of the Best-in-Industry Scoring Standard). Not whether a company is in first or third or fifth or tenth place. There will always be a last place company, but what is truly telling is whether it is in last place with a score of 85 (which clearly signals a strong performance and a deservedly good grade) or in last place with a score of 37 (which signals a poor performance and possibly a lower grade).

How Each Company’s Performance on the 3-Year Strategic Plan Is Scored

A 3-Year Strategic Plan assignment is automatically graded on a scale of 1 to 100; scores are tied to whether a company meets or beats its stated performance targets for EPS, ROE, credit rating, image rating, and stock price for each of the three years of the strategic plan. The 3-Year Strategic Plan scoring is
based on the principle that a company’s strategic plan was “good” if management achieved or exceeded the targeted levels of performance and if these targets contained some “stretch.” The thesis here is that company managers should not be rewarded with a “good” grade for setting “pie-in-the-sky” performance targets and then delivering a performance far short of what was promised—there can be no applause whatsoever for a strategic plan that over promises and under delivers. At the same time, though, there is no glory to be gained by “sandbagging” and setting easily achieved performance targets. Company Boards and shareholders want to see realistic yet ambitious performance targets.

The following point system was developed to assign higher scores to those plans where stretch targets were met and lower scores to plans with “low” performance targets and plans where actual performance was below established targets (while the scoring system may seem “complicated”, the various point requirements and conditions were necessary to cover the differing circumstances of different companies—experience indicates that the explanations provided to co-managers allow them to grasp the scoring pretty readily):

- 14 points for setting any one target below the Investor Expectation Standard and then meeting or beating the target (70 points max. if applied to all 5 targets for each year of the plan). Thus, setting and achieving sub-par objectives results in a maximum performance score of 70 or a C–. Under no circumstances are points awarded for setting and achieving a target below a B credit rating or below an image rating of 50. Moreover, the points awarded to struggling companies that will have a hard time even reaching “rock-bottom” performances of $1.00 per share, a 10% ROE, and a $20 stock price are a function of how close their targets are to those “rock bottom” performance levels rather than to the investor expectation minimum — such companies will normally have a hard time earning 70 points but can nonetheless get scores of 50 or higher with a plan that incorporates a successful turnaround strategy and that delivers upward trending results (albeit from a low level of overall performance).

- 16 points for setting any one target equal to the Investor Expectation Standard and then meeting or beating the target (80 points max. if applied to all five targets for each year of the plan). Thus, if all 5 performance targets are set at the level expected by investors and if these targets are subsequently achieved, then a company’s 3-year plan score will come out to be an 80 or a B–. If a target is only partially met, a proportional number of points is awarded (thus achieving an EPS of $2.63 when the target is $3.50 results in an award of 12 points).

The performance targets expected by investors are:

- Annual EPS growth equal to 8% in Years 6-10 and 4% in Years 11-15 (the actual values for these targets for each year are shown on page 2 of the GLO-BUS Statistical Review)
- Annual stock price appreciation equal to 8% in Years 6-10 and 4% in Years 11-15 (the dollar values for the stock price targets for each year are shown on page 3 of the GLO-BUS Statistical Review)
- 15% ROE
- Credit rating of B+
- Image rating of 70

- 18 points for setting a stretch target on any one performance measure that is “one notch” above the Investor Expectation standard and then meeting or beating the stretch target (90 points max. if applied to all five performance measures). “One notch” stretch targets are:

  - EITHER 10% above the Investor Expectation EPS target for each of the 3 upcoming years OR annual increases of at least 10% per share per year above a company’s most recent year’s EPS if the company’s EPS was above the prior-year Investor Expectations level—the OR clause is the ruling bonus point requirement any time a company’s prior-year EPS exceeds the prior-year investor expected target.

  - EITHER 10% above the Investor Expectation stock price target for each of the 3 upcoming years OR annual stock price gains of at least 10% per share per year above a company’s most recent year’s stock price target if the company’s prior-year stock price was above the prior-year Investor Expectations level—the OR clause is the ruling bonus point requirement any time a company’s prior-year stock price exceeds the prior-year investor expected target.

- 16.5% ROE (10% higher than the 15% norm)
- Credit rating of A-
- Image rating of 77 (10% higher than the norm of 70)
• 19 points for setting a stretch target on any one performance measure that is “two notches” above the Investor Expectations level and then meeting or beating the stretch target (95 points max. per year if done for all five performance measures). “Two notch” stretch targets are defined as:
  o **EITHER** 20% above the Investor Expectation EPS target for each of the 3 upcoming years **OR** annual increases of at least 20% per share per year above a company’s most recent year’s EPS if the company’s EPS was above the prior-year Investor Expectations level—**the OR clause is the ruling bonus point requirement any time a company’s prior-year EPS exceeds the prior-year investor expected target.**
  o **EITHER** 20% above the Investor Expectation stock price target for each of the 3 upcoming years **OR** annual stock price gains of at least 20% per share per year above a company’s most recent year’s stock price target if the company’s prior-year stock price was above the prior-year Investor Expectations level—**the OR clause is the ruling bonus point requirement any time a company’s prior-year stock price exceeds the prior-year investor expected target.**
  o 18% ROE (20% higher than the norm of 15%)
  o Credit rating of A
  o Image rating of 84 (20% higher than the norm of 70)

• 20 points for setting a stretch target on any one performance measure that is “three notches” above the Investor Expectation level and then meeting or beating the stretch target (100 points max. per year if done for all five performance measures). “Three notch” stretch targets are defined as:
  o **EITHER** 30% above the Investor Expectation EPS target for each of the 3 years **OR** annual increases of at least 30% per share per year above the most recent year’s EPS if the company’s EPS was above the prior-year Investor Expectations level—**the OR clause is the ruling bonus point requirement when a company’s prior-year EPS exceeds the prior-year investor expected target.**
  o **EITHER** 30% above the Investor Expectation stock price target for each of the 3 upcoming years **OR** annual stock price gains of at least 30% per share per year above a company’s most recent year’s stock price target if the company’s prior-year stock price was above the prior-year Investor Expectations level—**the OR clause is the ruling bonus point requirement any time a company’s prior-year stock price exceeds the prior-year investor expected target.**
  o 19.5% ROE (30% higher than the 15% norm)
  o Credit rating of A+
  o Image rating of 91 or more (30% higher than the norm of 70)

Different stretch objectives may be set for each of the five performance measures. In other words, a company can have an A+ credit rating objective (a three-notch stretch), an image rating objective of 77 (a one-notch stretch), a 18% ROE objective (a two-notch stretch), an EPS objective equal to Investor Expectations, and a stock price objective that is below Investor Expectations.

**Underachievement of any target results in a point reduction proportional to the underachievement, subject to a minimum “consolation prize” score of 10 points on any one target.** For instance, if co-managers set a 30% stretch target of $10 per share for EPS (which carries a score of 20 points if achieved) and actual EPS turns out to be just $6 (60% of the targeted level), then they will incur an 8-point penalty and get only 12 points (60% of 20 points). If co-managers set a 10% stretch target of $5 per share for EPS (which carries a score of 20 points if achieved) and actual EPS turns out to be just $1 (20% of the targeted level), then they will incur an 10-point penalty and earn the consolation prize score of 10 points. Hence, company co-managers have nothing to gain by setting overly ambitious objectives and failing to meet them.

To get a “good” (80 or better) performance score for any one year of the plan, the scoring approach requires that a company achieve performance levels at least commensurate with investor expectations that year (as shown on pages 2 and 3 of each year’s GLO-BUS Statistical Review). To receive scores above 80, a company must set “stretch objectives” that are higher than the investor minimum performance targets and then meet or beat these stretch targets.

Clearly, the point system for judging the caliber of a company’s strategic plan (1) rewards co-managers for setting stretch objectives and then succeeding in meeting or beating the stretch objectives and (2) punishes the strategic plan scores of companies when the targeted levels of performance are not met. Indeed, **the scoring is based on three principles**: 

1. **Rewards Co-Managers for Setting and Meeting Stretch Objectives.**
2. **Punishes Companies for Failing to Meet Objectives.**
3. **Encourages Consistency and Improvement.**
• A company’s strategic plan is “good” if management met or beat the targeted levels of performance and if these targets contained some “stretch.”

• A company’s 3-year strategic plan is “not so good” if it results in a performance far short of what was promised—there can be no applause whatsoever for a strategic plan that over promises and under delivers.

• There is no glory to be gained by “sandbagging” and setting easily achieved performance targets—setting and achieving high stretch objectives earns a higher strategic plan score than does a plan where company co-managers set lower target objectives and achieve them.

If a company meets or beats a performance target, then its performance score for that target equals the corresponding number of points for that target.

A company’s performance score for any one year of the plan is the sum of the points earned for each of the five performance targets.

A company’s overall performance score on the 3-year plan is the average of the performance scores earned for each of the 3 years of the plan period.

The scores earned on the 3-year plan are reported to co-managers on the 3-Year Strategic Plan link that appears on the left of their Corporate Lobby screen—as the results for each year of the plan become available, all they have to do to track their scores is just click on the link and the scores will be shown near the top of the page that appears.

3-Year Strategic Plan Scores Are Automatically Reported in Your GLO-BUS Grade Books. The details of each company’s scores on the 3-year plan are recorded in your 3-Year strategic plan grade book—this grade book appears in the Grading and Scoring category on your Administration Menu whenever you schedule a 3-year plan. This grade book shows (1) the performance targets each company established for each year of the plan, (2) whether the targets were met and the points received for each target objective, (3) a “total annual score” for each year of the plan, and (4) an overall performance score across all three years of the plan that is the average of the three annual scores.

You have the ability to include the scores on the 3-year strategic plan(s) in each individual’s grade for the entire GLO-BUS exercise. All you have to do is to designate some percentage weight to 3-year plan in the GLO-BUS Simulation Grade Book; this grade book is programmed to calculate an overall simulation grade for each participant covering the quizzes, the strategic plan, and all other required assignments.

The Administration Menu

When you click on one of the Industry links in the Industry/Course Administration box on the Instructor Center page, you are immediately directed to a page with an Administration Menu, data relating to each company in the industry, an Industry Scoreboard, the latest exchange rates, and the latest interest rates. This page, most particularly the Administration Menu, provides you with a powerful, user-friendly set of tools for handling most every conceivable issue and conducting the simulation in a time-efficient manner.

The Administration Menu. There are seven menu categories:

1. GLO-BUS Participants and Teams (includes 7 menu selections)
2. Scheduling and Assignments (includes as many as 6 menu selections)
3. Grade Books and Scoring (includes as many as 4 menu selections)
4. GLO-BUS Reports for Industry (includes 5 menu selections)
5. GLO-BUS Settings / Controls (includes 4 menu selections)
6. Performance Assessments (includes 2 menu selections)
7. Remove this Industry (includes only 1 selection)

Simply click on a menu category to view the selections and access the options you wish to use. Hover over each individual menu item for a brief pop-up explanation.
GLO-BUS Participants and Teams

List of Registered Participants — This option shows all class members who have registered for your GLO-BUS industry. The list is arranged by company/team. You may also edit any or all of the company names; simply click on the name you wish to change. You may want to print this list to quickly reference which class members are co-managing which companies.

Access a Corporate Lobby — To see what students/participants see, you can use this feature to log-in to the account of any student/participant and access the team’s Corporate Lobby web page. If the participant whose account you choose to log-in to is also currently logged-in, he/she will be automatically logged-out when you use this feature.

Activity Logs of Participants — This menu option provides data regarding the frequency and length of each co-manager’s log-ons, how many times each co-manager saved decision entries to the GLO-BUS server each decision round, and how many times each co-manager viewed each set of reports each decision round. The activity logs are organized by company/team, so that you can readily compare the log-on activities of the co-managers of each company. You can peruse this data to get a rough idea of how much time class members are spending on the simulation. Class members with abnormally low levels of log-on activity are candidates for being low contributors to their company’s performance and not carrying their share of the workload. However, it is very important to recognize that any one co-manager’s log-on activity may not reflect the true degree to which he/she is truly involved since it is possible that company’s co-managers typically gather round a single PC in the computer lab or at one co-manager’s residence and therefore use just one co-manager’s account/PC to make most all of the decisions. So you should use the log-on data with caution in concluding that low levels of web site usage absolutely equate to a sub-par effort. But you will find that the activity logs, taken in conjunction with the peer evaluations, are indeed useful to have at your disposal in monitoring the effort levels and involvement of individual co-managers.

Restrict Use of a Participant Account — This option is used when for some reason you want to deny a particular class member or all co-managers of a particular company or the entire class access to (1) e-mails announcing the yearly results, (2) Corporate Lobby scoreboards, and (3) the Decisions and Reports screens. Some instructors like to use this option immediately after a decision round is processed (most often after the final decision) because they like to reveal the decision round outcomes and company standings in class and do not wish company co-managers to know what occurred prior to the class meeting.

Move a Participant — This option is used when you want to move a co-manager from one company team to another or from one industry to another.

Delete a Participant — This option is used when a class member drops the course and you want to remove his/her account.

Delete an Existing Company (appears in the menu only after any practice decision rounds are complete and the Data Reset has occurred) — This option is used when (a) all or most of the co-managers have dropped the course or (b) when all co-managers have been moved to other companies or (c) you have opted not to assign co-managers to one or more companies that were created during Course Setup. The minimum number of companies in an industry is 4, so you may use this feature only if there are more than 4 companies in the industry. Also, all co-manager accounts must be moved or deleted before you can permanently remove that company from the industry.

Scheduling and Assignments

GLO-BUS Decision Rounds Schedule — Use this option any time you want to change or schedule a deadline date/time for a decision round (year).

GLO-BUS Assignments Schedule — Use this option any time you want to change the availability or deadline date/time for GLO-BUS Quiz 1, GLO-BUS Quiz 2, a 3-year plan assignment, the company presentation, or the peer evaluation exercise.

Note: To inform class members of any change in the schedule of decision deadlines and assignments, you can (1) check the box that automatically sends co-managers an e-mail indicating a schedule change—this box is on the page where you enter new decision round or assignment deadlines or (2) personally send all class members an e-mail alerting them to the changes you have made (you can use the built-in messaging system for this) or (3) announce the change in class or (4) do all of these.
Allow Re-Take of GLO-BUS Quiz 1 — This option enables you to grant any class member re-access to Quiz 1 for the purpose of changing answers to questions that have already been answered or to re-take the entire quiz.

Allow Re-Take of GLO-BUS Quiz 2 — This option enables you to grant re-access to Quiz 2 for the purpose of changing answers to questions that have already been answered or to re-take the entire quiz.

Process a Decision Round Now — With this feature you can have the system to generate the results for the upcoming year immediately rather than waiting for the deadline on your decision schedule, effectively changing the upcoming decision deadline to “now” rather than the originally scheduled date/time. It is a particularly useful option if you want to process the results immediately at the beginning or end of your class or immediately following a session in the computer lab. If you use this feature, the results will typically be available to students within a minute or so.

Roll Back to Prior Decision Round — This feature gives you the ability to have the system undo the prior year’s decision round results. Normally, “Roll Back” is used only in two circumstances. One is when one or more companies made “huge and debilitating mistakes” that you feel must be rectified (and which are not “fixed” by issuing a refund). The second is when one or more companies encountered circumstances that prevented them from entering decisions in time to meet a deadline. We included this option “just in case” you feel it is the “best way out of a bad situation.” When you click on the Roll Back option some instructions about how to proceed will appear. Please read the instructions carefully and call the instructor support line if you are unsure about how to proceed.

Grade Books and Scoring

Company Performance Grade Book — The Company Performance Grade Book contains scores of company performances for each decision round. There are annual and “game-to-date” scores for both the Investor Expectations Standard and the Best-in-Industry Standard. The two scoring standards are weighted 50-50 in calculating an overall score, but there are boxes where you can change the default weights to whatever percentages suit you.

Simulation Scoring Weights — This menu selection gives you the ability to change the 20% default scoring weights on each of the 5 performance measures at any time. Such a change will result in all the scores on the next issue of the GLO-BUS Statistical Review being recalculated, with the recalculations applying to all completed decision rounds.

If you want one or more of the 5 variables to carry a weight higher than 20%, our advice is to up them by 5%-10% and cut others back by 5%-10%. If you alter the weights, please take the following into account:

- We caution against reducing the EPS weight below 20% because in the real world EPS is clearly the dominant factor in gauging a company’s performance.

- We also caution against reducing the credit rating weight below 20% because it sends the wrong signal to company managers about the imperatives of maintaining the company’s financial condition and financial health.

- If you are tempted to cut back on the image rating weight, be aware that the image rating is a function of three factors: (1) a company’s market share in each of the 8 market segments, (2) the performance/quality ratings of its cameras in the four regions, and (3) company actions to display corporate citizenship and conduct operations in a socially responsible manner over the past 4-5 years. The image rating strongly reflects the company’s market standing and market position and is a good measure of the company’s strategic performance in the marketplace and its commitment to operating in a socially responsible manner All the other performance measures are financial measures. Giving the image rating at least a 15-20% weight adds an element of “balance” by assigning some importance to nonfinancial measures of performance.

Some of the best possibilities for altering the 20% default weights are shown in the table below:

<table>
<thead>
<tr>
<th>Scoring Variables</th>
<th>Option 1</th>
<th>Option 2</th>
<th>Option 3</th>
<th>Option 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>EPS</td>
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<tr>
<td>Image Rating</td>
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<td>15%</td>
<td>25%</td>
</tr>
</tbody>
</table>
3-Year Strategic Plan Grade Book (appears on the menu only if you elect to assign 1 or 2 strategic plans) — This contains each company’s scores on the 3-year strategic plan assignments.

GLO-BUS Assignments Grade Book — The GLO-BUS Assignments Grade Book contains each participant’s scores on quizzes 1 and 2 (if assigned), a space to manually enter scores for end-of-game company presentations (if assigned), their average scores on the 3-year strategic plans (if assigned), their company’s overall performance score for all decision rounds completed, and peer evaluation scores. There are boxes for you to enter the weights for all of the various assignments; a grand total grade is automatically calculated for you based on the weights you have entered.

GLO-BUS Reports for Industry

GLO-BUS Statistical Review — If you want to stay on top of what’s happening in an industry, then after each decision round is processed you should view/print the GLO-BUS Statistical Review (GSR)., the Administrator’s Report, and the Competitive Intelligence Reports. The GSR, which is provided to all co-managers, consists of a 3-page company scoreboard of performance, a page of assorted industry statistics with graphs of industry trends for prices and camera performance/quality (the P/Q ratings), two pages of benchmarking data, and a page of comparative financial statistics.

Competitive Intelligence Reports — We also recommend printing these reports after each decision round. The Competitive Intelligence Reports, also provided to all co-managers, show each company’s competitive effort in each geographic region (prices, advertising, number of camera models, warranties, promotional efforts, and so on).

Administrator’s Report — This is a special report for your eyes only. It provides a quick overview of key numbers for every company in the industry—itemized costs and operating statistics by company and cross-company comparisons of cameras sold and market shares. The data in the Administrator’s Report go far in revealing why some companies are doing better than others.

Decision History Report — This menu selection provides you with a time-series history of all the decision entries for all decision rounds, company by company. It is an incredibly useful tool for reviewing what a particular company has done over time and tracking its strategic moves.

GLO-BUS Settings / Controls

Costs/Rate Parameters — Use this option to deliberately give companies unexpectedly higher/lower cost conditions to deal with. There is an assortment of cost items, as well as import duties, that you can change as the decision rounds unfold. It is a good idea to periodically change some costs and rates because company co-managers need experience in coping with uncertainty and a changing cost structure. But it is wise for the sizes and frequencies of any changes you institute to be “realistic” rather than extreme. You can announce any changes to the companies using the Message Center. Changing one or two costs each decision round starting about the 4th or 5th decision round has merit, but this is strictly up to you—you should not feel any obligation to make changes, since the competitive dynamics of move and countermove among the companies always acts to keep market conditions in a state of flux.

Refunds and/or Fines — This menu option comes into play only on those occasions when (1) you want to refund monies to a company for “mistakes” that you want to help rectify or (2) you want to levy fines for such “misbehavior” as conspiring with other companies to fix prices (which sometimes occurs) or habitually not meeting decision deadlines.

Exchange Rate Impacts — This selection allows you to reduce the sometimes favorable and sometimes unfavorable impacts of shifting exchange rates of company revenues and ultimately on company profitability. We do not recommend, as a rule, that you deviate from the 20% maximum impact we use as the default setting because in the real world exchange rate impacts over a full-year period are quite often in the neighborhood of 20%. In a globalized economy, we believe class members need to understand and experience the risks of shifting exchange rates and learn to cope with them.

Sensitivity of Demand Factors — This selection allows you to alter the importance of any of the competitive factors that affect unit sales and market share. This option should rarely be used since we have made a very conscientious and careful effort to program an internal weighting system based on our experience of watching many, many simulation industries over many years. Yet, there may be occasions when one of your industries gets into a fiercely heated competitive battle such that you feel “too much” or “too little” attention is being given to one of more of the competitive factors. This option allows you to alter the competitive sensitivities of one or more factors within certain ranges. The multipliers for each factor are set at 1.00; you have the option to alter a multiplier to as low as 0.75 or to as high as 1.25.
Should you start altering the multipliers, you should always have the total sum remain the same—thus if you lower some multipliers by a total of 0.10, then others should be raised by a total of 0.10.

Performance Assessments

Performance Benchmarks Report — This report provides data indicating how your particular industry (class) is doing versus industries/classes at all other business schools and colleges where The Business Strategy Game has been played in the last 12 months.

Learning Assurance Report (LAR) — Access this report only at the conclusion of the exercise and after the peer evaluations have been done (since peer evaluation responses are used in the LAR). The LAR provides you with convincing empirical data on 9 measures of student performance that are precisely defined at the bottom of the report. The LAR is useful in two very important respects: 1) it provides you with a clear overview of how well your students rank relative to students at other schools worldwide who have gone through this competition-based simulation exercise over the past 12 months, and 2) because the report provides credible evidence regarding the caliber of business proficiency and decision-making prowess of your students, it can be used to help assess whether your school’s academic curriculum in business is providing students with the desired degree of business understanding and decision-making acumen. Professors, department chairs, and deans at many business schools worldwide are engaged in developing ongoing evidence of whether their academic programs meet the Assurance of Learning Standards now being applied by the Association to Advance Collegiate Schools of Business (AACSB); a prime goal of this Learning Assurance Report is to contribute significantly to this effort.

Remove this Industry

Delete this Industry — This selection allows you to permanently remove all records for an industry. Once deleted, the data cannot be retrieved. We recommend that “old” industries be permanently deleted within a year of completion.

The intent of all these menu selections is to (a) provide every possible function you might need, (b) give you a wide range of options for customizing your use of GLO-BUS, (c) require as few mouse clicks as possible and (d) minimize the time it will take you to use GLO-BUS in your course. Should you come up with any ideas for improving the Administrative Menu, please forward them to us—we are committed to continuous improvement and will consider any and all suggestions for making GLO-BUS work better for you.

Eight Tips for Successfully Using GLO-BUS

Based on our experiences and what we have learned from adopters, there are several things that contribute greatly to conducting the GLO-BUS simulation in an effective and successful fashion:

1. **Schedule 2 practice rounds** (barring time constraints) to deepen class member familiarity with the how the software works, the decision entry screens, and the information and outcomes provided after each decision round. Two practice rounds also give company co-managers a chance to try out different strategy/decision combinations and see what happens.

2. **During the Course Setup Procedure, when you select 4, 8, or 12 companies to create, be sure to reserve 1 for you to operate throughout the practice rounds** (and maybe for several additional decision rounds)—do this especially if you are a first-time user or if you want to learn more about what operating a company is all about. The company you manage (and any other extra companies) can easily be deleted later.

   • Running a company yourself is absolutely the quickest and most productive way to familiarize yourself with “how things work”, explore all the various decision entries, view the reports showing the results of the decision entries, and otherwise learn firsthand what the simulation experience for students is all about.

   • Operating a company will equip you to (1) see the value of the information that you and your students are furnished after each decision round, (2) provide the class with your perspectives about the competitive battle that is taking place and call attention to particularly interesting outcomes, and (3) be wise in assigning grades and otherwise conducting the simulation.

   • The knowledge and understanding gained will also enable you to answer student questions about this or that aspect of the simulation (which sometimes occurs) and, if you wish, to provide advice and counsel to companies that may be floundering and need some guidance.

If you opt to run your own company, inform the class which company you are running, tell them it will be a temporary thing (and that your company will be deleted later), indicate that you will exercise care in
making “competition friendly decisions” that are not aimed at stealing sales and market share from other companies, and make it clear that you have no intention of trying to outcompete the companies they are running or otherwise demonstrate your prowess. **What class members need to understand is that your purpose in running a company during the practice rounds is to become as familiar as possible with what is involved in making decisions, managing company operations, and comprehending the information in the various reports available to all companies.**

Once the practice rounds are completed, there is an item on the Administration Menu for the industry that enables you to quickly and easily delete the company you are running and any other extra companies from the competition. (Note: No company can be deleted until the practice rounds are completed.)

Also, bear in mind that the built-in Collaboration and Voice–Chat capabilities allow you to join an online meeting of the co-managers of any company—either as an observer or as an advisor/consultant. If you have run a company yourself for several decision rounds, you will be better prepared to take on this role, answer student questions about this or that aspect of the simulation (which sometimes occurs) and, if you wish, to provide advice and counsel to companies that may be floundering and need some guidance.

3. **Stress to class members the importance and value of using the Video Tutorials and the detailed Help sections to find answers to any questions they have.**

   • **The short 2-3 minute Video Tutorials are particularly helpful during the practice rounds** when students first encounter the software menus and the information on the screens and are wondering what to do next.

   • Whenever class members want more in-depth explanations and details than contained in a Video Tutorial (or the Participant’s Guide), all they have to do is click on the Help button at the top of a decision screen or report page.

   • The Help sections for decision screens provide information about each decision entry, full explanations of cause-effect relationships, and tips/suggestions about what to do and not do.

   • **The Help sections for any page of the Company Reports, the GLO-BUS Statistical Review, and the Competitive Intelligence Reports explain what the numbers mean, how they are calculated, and how to use the information to good advantage.**

   • We have gone to considerable lengths to make the Help pages incredibly valuable and useful to company co-managers in understanding how things work and in wisely and successfully managing their companies. **If you insist that class members make full use of the video tutorials and consult the Help pages any time that questions or issues arise (and not lean on you for answers that they can discover for themselves), you will find (as have we and other GLO-BUS users) they will be able to figure things out nicely for themselves.**

   Here, it is well worth taking a few minutes of class time to explain to company co-managers that they can be never too well-informed about all the various aspects of their company’s operations or about the cause-effect relationships built-into the simulation, but that it is exceptionally risky and dangerous to be very poorly informed and have little command of what is going on. Company managers never put their company’s performance at risk by “knowing too much” about their company’s operations and “how things work”, but they very definitely put their company’s performance at risk when they “know too little.” In the real world, managers get tired and ruin their careers when they act like “loose cannons” and make seat-of-the pants decisions rather than making thoughtful, informed, analysis-based decisions.

4. **Urge company co-managers to have a printout of the latest Competitive Intelligence Report in front of them and consult its content** before entering any upcoming decisions relating to pricing, advertising, P/Q rating, promotional campaigns, and all the other decision entry variables that determine their company’s competitiveness vis-à-vis rivals. Tell them that if they don’t consider how their company’s competitive effort compared to rivals and to the industry average effort in each geographic region in the prior year (as displayed on the pages of the Competitive Intelligence Report), then they will be flying blind into competitive battle with no clue as to whether their competitive strategy and marketing effort is likely to succeed or be an utter disaster.

5. **Urge company co-managers to pay special attention to the benchmarking data** provided on page 6 of the GLO-BUS Statistical Review that accompanies the results of each decision round. Studying the numbers on this page is critical if company co-managers are to stay abreast of how well their company’s costs compare with those of other companies in the industry.
6. **Warn company co-managers against trying strategies and making decisions that are imprudent, highly risky, or un-businesslike** (things that also would get a manager fired in a real company). The whole GLO-BUS experience is about having class members assume the role of a business professional who is trying to achieve the best possible company performance using managerially prudent and responsible business approaches and endeavoring to make “wise” decisions in operating the company and fashioning a successful strategy.

The GLO-BUS exercise is intended to “test” a co-manager’s knowledge and skills in running a profitable and successful company—which means acting in the best interests of shareholders and not driving their company to the brink of bankruptcy. Overzealous students who put their company’s performance at risk with extreme prices or marketing tactics or who wander off on a tangent and endeavor to “game the system” almost always shoot themselves in the foot by driving down company performance. **Little of value comes from students approaching the GLO-BUS exercise like a daring adventurer out to win some variant of a videogame with whatever “off-the-wall” or un-businesslike decisions they can enter on the screens.** When class members know you will hold them accountable for bad or foolish decisions that cause their company to bleed red ink while other companies are prospering, they will be less likely to make “wild” decisions or pursue irrational or “bound-to-fail” strategies.

7. **Stay abreast of the results of each decision round.** It will take about 10-20 minutes for you to explore the results of each decision round. First click on the industry you have created for your class that appears on the upper right of your instructor Center screen. Then, on the Administrative Menu on the left side of the screen, click on the link that says GLO-BUS Reports for Industry ____, where you will see four report options. Check out the first three menu selections (GLO-BUS Statistical Review, Competitor Intelligence Reports, and Administrator’s Report) and spend as much time as you wish exploring the information. All company co-managers get the first two reports, but the Administrator’s Report’s Report is only for the instructor and contains a lot of interesting cross-company comparison information—this information is not provided to class members because of its competitively sensitive and proprietary nature. The Decision History report is rarely of much interest until perhaps midway through the simulation, at which point you may wish to check out the decision histories of the best performing companies and compare them to the worst performing companies to see what’s working well and what is not. The Decision History report is also useful for counseling poorly-performing companies on ways they can improve.

Once you have become familiar with the contents of the GLO-BUS Statistical Review and the Competitive Intelligence Reports, you’ll be able to zero in quickly on what’s of particular interest and economize on the time it takes to monitor the outcomes.

8. **Use 10-15 minutes of class time to “debrief” the teams on the results of early decision rounds.** In our class, it is standard to have a debriefing to go over the results of the first practice round. We provide each class member a copy of the **GLO-BUS Statistical Review and the Competitive Intelligence Report** and then walk them through these reports page-by-page so they will be up to speed on all the information at their fingertips following each decision round. In this initial debriefing, pay particular attention to the information in the Competitive Intelligence Report showing the actions of all the companies in the marketplace (their prices, advertising, performance/quality ratings, warranty periods, and so on) and their positioning on the industry strategic group map. If you wish, you can have debriefings for the second practice round, maybe the first couple of scored decision rounds, and on those occasions when something of significance occurs that you want to talk about. These give you an opportunity to:

- Call attention to particularly interesting outcomes and results, especially those in the Competitive Intelligence Report and the benchmarking data on pages 5–6 of the GLO-BUS Statistical Review.
- Comment on any outcomes or conditions that company co-managers should take think about.
- Convince class members of the merits of digesting and diagnosing the results of each decision round before rushing into making decision entries for the upcoming year.
- Connect events in the simulation to your lectures on the chapters or to similar situations in some of the assigned cases you’ve discussed.

From time-to-time, you’ll discover revealing tidbits of information in the Administrator’s Report (cost details, operating statistics, and profit margins) that you can summarize and share orally with class members—but take care not to single out or identify any company in these remarks and “give away its secrets.” You can just say “there’s one company that ……….” or “one company had unit labor costs as low as $____” or “one company spent ________ dollars on product R&D last year” or “one company reported an industry-high profit margin of $$____ on each entry-level camera sold in Latin America, while another company lost an average of $$_____ on its entry-level cameras.”
Four Other Suggestions of an Administrative Nature

1. **Use the Class Presentation PowerPoint slides** that we have created to describe GLO-BUS to your class and explain some of the mechanics. To access the slides, click on the Class Presentation link in the Instructor Support box on the left side of the Instructor Center screen.

2. **Require class members to take Quiz 1 and Quiz 2**; set the deadline for completing Quiz 1 to correspond with the deadline for the first practice decision and the deadline for completing Quiz 2 to match the deadline for the Year 9 or Year 10 decision round.

3. **Require company managers to do peer evaluations of their co-managers, as well as an evaluation of their own performance.** Class members can see the content of the 12-question peer evaluation form by clicking on the Peer Evaluations link in their “Corporate Lobby” but they are not given access to completing the form until the availability date/time that you set in your decision schedule. To counteract the tendency of less motivated and less industrious co-managers to contribute little and “ride the coattails” of more industrious co-managers, it is wise to emphasize to the class early on that the results of the peer evaluations will be taken seriously and that failure to be a contributing team member will negatively impact their grade. While there’s a strong propensity for teams to strike a deal whereby everyone gives their peers a good evaluation, it is often the case that team members will be sufficiently disenchanted with a non-contributor’s performance that they will give that person a weak evaluation—low peer evaluation scores are thus a fairly reliable sign of a problem!

4. **Be wary of counting each class member’s simulation grade less than 15-20% of their overall course grade.** Having the simulation exercise (and especially the overall company performance score) count only a small percentage greatly weakens the effort students put into running their company and thus causes many of the potential learning benefits to go unrealized.

**What to Do About Poorly Performing Companies.** Don’t be overly concerned if one or more company teams do poorly in the first few decision rounds. You should definitely advise teams that might be distressed with their initial results that it is absolutely possible to turn things around and come out as a market leader over the next several decision rounds and certainly by the end of the simulation. Sometimes it just takes a while for a company’s strategy to begin to bear fruit or the chemistry on the team to jell; sometimes, the initial strategy is ill-conceived or is thwarted by the strategies of rival firms and thus has to be adjusted. In our experience, the companies that are the leaders after the first one or two decisions seldom are able to sustain this leadership. Just as who is ahead after one or two innings of a 9-inning baseball game may not end up winning, so also is it that the early leaders in GLO-BUS are not necessarily destined to come out on top at the end.

Naturally, of course, the co-managers of companies who fare poorly will be concerned and come to you for advice and counsel about how to improve.  You should tell concerned co-managers of low-performing companies that much of the information provided in the various reports is “diagnostic” (particularly the Competitive Intelligence Reports) and points directly to things that are in need of attention. In our experience, there are two primary reasons why companies perform poorly:

- Company co-managers have a poor grasp of the contents of the Participant’s Guide and/or have not spent time reading the accompanying Help sections for the decision screens and reports (which provide complete explanations and detailed guidance in how to approach strategizing and decision-making and how to interpret and make use of the data in the various reports).

- Company co-managers are not paying nearly enough attention to studying and digesting the information in all the reports and diagnosing their company’s situation. When they are directed to really probe the information in the GLO-BUS Statistical Review (especially the cost benchmarks on pp. 5-6) and the Competitive Intelligence Reports and use this information as a basis for making their decision entries, then their company usually performs better. Co-managers are provided a wealth of information for identifying “what went wrong”, where their costs are out-of-line with rivals, and what sort of changes in prices, advertising, and so on are needed to boost sales and market share. Company managers who conscientiously look at the numbers will have little trouble spotting avenues for improving their company’s performance—each page of the Competitive Intelligence Reports provides a list of competitive strengths and competitive weaknesses in each of the four geographic regions. Determine if company co-managers have grasped the significance of the information in the Competitive Intelligence Reports and have really dug into the numbers—if not, this is the root of their problem. **Urge that they pay very special attention to the numbers in these reports, read the Help pages for these reports, and take actions to remedy their company’s competitive weaknesses.**
Sometimes, bad results turn out to be a positive catalyst for co-managers, causing them to really buckle down, dig into the numbers, and get serious about the effort they are putting into the simulation. Students can learn every bit as much from their mistakes and from efforts to turn their company around as from enjoying success decision round after decision round.

**Dealing with Disagreements among Co-Managers and “Non-Contributors”.** On occasions, company co-managers get into such serious disagreements or have disruptive personality conflicts that it makes sense to move one or more team members to a different team. While moving a person from one company team to another should be done sparingly, it does give you a sometimes workable out for dealing with unusually severe problems among company co-managers.

Moving students to a different team is quickly accomplished. All you have to do is select the “Move/Delete a Participant” option on the Administrative Menu. But you should probably first consult the co-managers of the company to which you want to move the person and secure their approval to take on a new member.

As with any team assignment, situations will arise where a co-manager does not carry his or her share of the workload, causing other co-managers to complain or otherwise voice displeasure. There are several ways to handle this situation. One is always to urge the hard-working co-managers to have a heart-to-heart talk with the person who is slacking off; you can also offer to talk with the low-contributing class member if the other co-managers think that would be helpful. A second way is to remind the low-contributing co-manager (or the class as a whole) that there will be peer evaluations at the end of the course and that poor peer evaluations are likely to have an adverse and perhaps severe effect on the grade assigned. If an alleged low-performer's contribution still does not improve, or you may have to read them the riot act, threaten to drop them from the simulation with a failing grade.

**Stirring the Pot by Changing Costs or Rates.** While you should not feel any obligation to change certain costs as the decision rounds unfold (since the shifting winds of head-to-head competition are always making market conditions somewhat dynamic), there is merit in changing conditions at least once or twice during the simulation because it is typical in the real world for company managers to have to deal with changing cost conditions. It is typical in the real world for company managers to have to deal with changing costs for one or more factors. However, you should not feel any obligation to make changes, since there is normally plenty of competition and pot-stirring happening anyway. But you do have the option of shaking the industry up a bit by introducing changes in import duties or higher/lower costs for such things as shipping or outsourcing or retailer support. You will find an assortment of things you can change in the Settings/Control item of the Administration Menu.

Should you decide to alter any of the costs and rates, we urge that any changes be “realistic” as concerns both the size and the frequencies of any changes. Here are some possible changes, all presented in the form of a “news bulletin” that you can announce to the companies using the internal e-mail capability found in the Message Center box on the bottom left of the Instructor Center screen:

- The rising costs of gasoline and other fuels worldwide over the past 12 months have forced shippers to raise their prices for transporting cameras from the Taiwan plant to camera retailers. Effective immediately, the prices for packaging and shipping each camera assembled will be $4 per camera (up from $3 per camera. Further price increases are possible.

- Recent declines in the prices of gasoline and other fuels have allowed shippers to trim their prices for transporting cameras from the Taiwan plant to retailers. Effective immediately, the prices for packaging and shipping each camera will be $2.50 per camera (down from $3 per camera).

- Effective immediately, contract assemblers of cameras have raised their charge for camera assembly from $25 per camera to $30 per camera. Outsourcing the assembly of either entry-level or multi-featured cameras will thus cost $5 more per camera than previously.

- Effective immediately, contract assemblers of cameras have reduced their charges for camera assembly from $25 per camera to $22 per camera. Outsourcing the assembly of either entry-level or multi-featured cameras will thus cost $3 less per camera than previously.

- Governments in Latin America, interested in raising revenues to support a variety of government spending programs have opted to raise the import duties on entry-level cameras from $5 to $10 per camera. However, governments in North America, in a show of support for freer trade between nations have opted to reduce the import duties on entry-level cameras from $5 to $2 and to cut the import duties on multi-featured cameras from $10 to $6.
• Effective immediately, retailer support costs for multi-store chains will rise from $2,500 annually to $3,000 annually, support costs for online retailers will rise from $1,000 annually to $1,750 annually, and support costs for local camera shops will rise from $50 annually to $75 annually.

The above bulletins are samples, and it is a simple matter for you to review the costs/rates that can be changed and craft news bulletins containing whatever increase/decreases in whatever costs or tariffs that you want to institute. Remember that you must implement all of the announced changes by inputting the new values in the last column of the Cost/Rates screen and that these must be inputted at times matching the content of the bulletin.

Unless you deliberately want the cost change to come as a surprise, you should craft a “news bulletin” announcing the changes and send it out to the class. We suggest sending the bulletin out via the internal e-mail system usually within an hour after the results for a given year have been processed. This will allow all company co-managers plenty of time to take the change into account in their decision-making for the upcoming year. If you wait much later, the eager-beaver managers who jump right in and make their decisions early will be caught unaware and/or have to go back and redo parts of their decision when they learn of the news. You might also want to announce the change in class, just so all co-managers will know about the new conditions you have instituted.

If You Have Any Questions

Please feel free to contact GLO-BUS technical support for assistance on any issue or to answer any questions you may have. All you have to do is click on the Technical Support link in the Instructor Support box on the left side of the Instructor Center page. It provides both telephone numbers and an e-mail message system. We reply to all e-mails as quickly as we possibly can—usually within a few hours.